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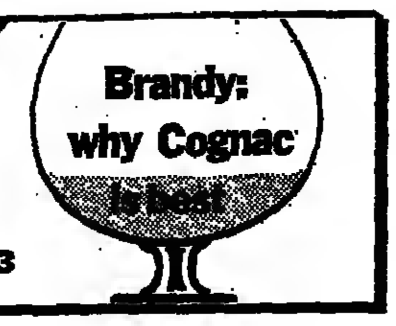


NEWS SUMMARY

GENERAL

BR may meet Aslef terms

BR is considering agreeing to Aslef terms for ending the rail strikes if the independent inquiry into the dispute accompanies a recommendation to that effect with tightly-worded productivity proposals.

This shift in BR thinking stems from careful thought on the inquiry's likely outcome. The inquiry is due to produce its findings early next week.

There is a strong possibility that the inquiry will recommend that BR pay the 3 per cent withheld from Aslef members and that the flexible rostering issue be put back into the negotiating procedure. Back Page

Oppenheim quits

Prices Minister Sally Oppenheim resigned leaving only three other women in Mrs Thatcher's Government. Back Page; The immaculate blonde MP, Page 3

Three quit probe

Three of a five-member team set up to investigate an Ulster sex scandal resigned hours after th inquiry opened because they believe criminal aspects may still have to be dealt with.

Poland hi-jack

A Polish Lot airliner pilot on a domestic flight hijacked his own aircraft to bring his family to West Berlin's Tempelhof airport, a U.S. military base.

Mirage orders

India will order 40 Mirage 2000 fighters from Dassault, the French company, and take an option on facilities to make the aircraft in India. Page 2

French bombings

The former Paris home of Iranian leader Ayatollah Khomeini was destroyed in a wave of apparently unrelated bomb and machine-gun attacks in France.

Tanker drama

The Greek tanker Victory broke up in mid-Atlantic with 21 people clinging to its sinking stern while 11 on a lifeboat were reported missing. A rescue bid was underway.

BA optimism

British Airways hopes to operate more than 80 per cent of European and domestic flights to and from Heathrow this weekend in spite of the ramp workers' dispute. Page 4

Boycott opposed

Syrian plans for economic sanctions against the U.S., because of its support for Israel, are opposed by the majority of Arab States. Page 2

Nato rejection

The Western Alliance rejected the proposed Soviet missile reduction as inherently unfair and endorsed U.S. handling of the U.S.-Soviet arms negotiations in Geneva.

Nigeria welcome

Thousands of Nigerians welcomed Pope John Paul to Lagos at the start of his four-nation African tour.

Briefly . . .

Halle Orchestra will lose its £30,000 grant from the city of Manchester.

Impersonator Mike Yarwood is joining ITV after 10 years with BBC.

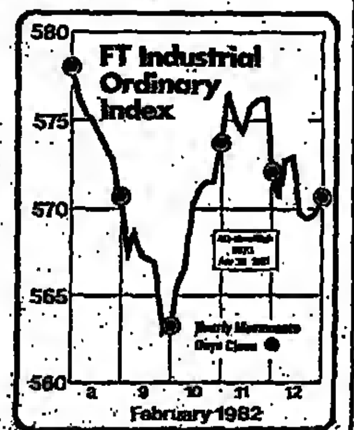
BUSINESS

Dollar firmer; gilts off 0.3

● DOLLAR rose to DM 2.385 (DM 2.366), SwFr 1.9125 (SwFr 1.8975) and Y238.25. Its trade-weighted index improved to 112.7 (112). Page 21

● STERLING fell 95 points to $1.84, but was firmer against European currencies, rising to DM 4.39 (DM 4.36), SwFr 3.52 (SwFr 3.51) and FFr 11.1125 (FFr 11.105). Its trade-weighted index remained 91.6. Page 21

● GILTS eased from Thursday's six-month highs. The Government Securities index fell 0.3 to 65.04. Page 22



● EQUITIES were also easier. The FT 30-share index shed 1.5 to 570.5. Page 22

● WALL STREET was off 0.43 at 834.19 near the close. Page 18

● GOLD fell $1.75 to $378.75 in London. In New York, the Comex February close was $378.6. Page 21

● FRANCE risked further criticism in Brussels by proposing more aid for its farmers. Back Page

● HONGKONG LAND acquired a site near the colony's Connaught Centre for HK$4.78bn (£436m) in one of the world's biggest property deals. Back Page

● MORGAN GRENFELL, Davy McKee and Brazil have agreed to complete the first stage of the Acominas steel project by July 1983.

● LLOYD'S underwriters are liable for only about $5m of Shell's $25.5m (£14m) claim for the cargo of a scuttled supertanker, the Court of Appeal ruled. Back Page

● SHELL threatened to close its Ellesmere Port oil refinery on Monday if 1,500 workers do not end a dispute over local allowances. Page 4

● STOCK EXCHANGE is certain to re-elect Sir Nicholas Goodison as chairman in June for a seventh year. Page 3

● BROOKE TOOL Engineering (Holdings) recorded a £114,500 pre-tax loss for the year to end September, against a £640,700 profit. Page 16

● WAGON FINANCE Corporation, banker, saw pre-tax profits fall from £1.27m to £860,003 for the 12 months ending December. Page 16

● PLEASURAMA, entertainment and leisure group, is paying £4.6m for Mr Abdel Wahhab Galadari's London casino interests. Page 16

● FIRST CASTLE ELECTRONICS is raising £2.56m in a one-for-one rights issue. Page 16

● UNIT TRUSTS: the FT apologises for out-of-date information shown in late editions yesterday for Offshore and Overseas Funds.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 12pcCnv. '85	£93	+ ½
Treas. 3pc 1986	£73	+ ½
Dowty	123	+ 7
Erskine House	55	+ 11
HAT Group	61½	+ 4½
Highland Distilleries	86	+ 8
Hinton (Amos)	298	+ 12
Horizon Travel	350	+ 17
Huntley & Palmer	111	+ 3
Imperial Group	87	+ 2½
Inter-City	34½	+ 15
Minet	152	+ 5
Mining Supplies	110	+ 6
Pleasurama	368	+ 28
Plessey	370	+ 5
Polly Peck	345	+ 15
Sound Diffusion	77	+ 4
Trident TV A	89	+ 6

FALLS

Excheq. 15pc 1997	£102½	− ⅜
Beecham	237	− 6
Brooke Tool	23	− 5½
Glaxo	472	− 6
GKN	186	− 8
Telephone Rentals	342	− 11
Shell Transport	362	− 8

Steel privatisation project collapses

BY ALAN PIKE

TALKS on the Phoenix 2 project, which the Government hoped would inject a major new private sector element into the steel industry, have collapsed.

A brief statement from the British Steel Corporation and Guest Keen and Nettlefolds, the two remaining partners in talks which originally involved five companies, said yesterday that it had "not been possible to identify a viable basis on which to structure a joint venture" for the production and marketing of engineering steels.

The failure of the long negotiations comes almost exactly a year after BSC and GKN reached agreement on the creation of Phoenix 1—a joint project for the rationalisation of wire rod and bar production. This 50-50 owned operation is now trading as a new company, Allied Steel and Wire, outside direct BSC control.

From the start Phoenix 2 was a far more ambitious and uncertain project. It was conceived as a means of reducing overcapacity in the engineering steels sector and of hiving off another part of BSC's operations, on Phoenix 1 lines, into a company with a strong private input.

During the Pheonix 2 negotiations one potential partner, Duport, withdrew from steel making amid financial difficulties. Another, the Lonrho-owned Hadfield, made 1,900 workers redundant and pulled out of the discussions.

The success of Phoenix 2 always depended on agreement between BSC and GKN—Britain's biggest private steel company and the biggest domestic user of the corporation's steel.

This delicate relationship between the two organisations appears to have brought added difficulty to negotiations over the pooling of engineering steels resources.

There have also been differences over the degree of independence the new company should have, and what relationship it should have with the remainder of BSC's activities.

The failure of the talks will be received with deep regret by the Government, which attaches high priority to the privatisation of parts of the steel industry.

The attempt to create Phoenix 2 has made privatisation slightly more difficult.

Last May, in readiness for the launching of the new project, BSC bought out Tube Investment's 50 per cent stake in Round Oak Steel Works in the West Midlands. The plant is wholly-owned by the corporation, although it continues to trade separately.

Yesterday's statement from BSC and GKN stressed that although it had not been possible to reach agreement, the position would be "reviewed from time to time in the light of the changing market conditions."

Demand for engineering steels has increased in recent months, making both parties less anxious to rush into an agreement. But opinion in the steel industry is that there is continuing overcapacity which will eventually have to be rationalised.

The pick-up in demand is illustrated by UK steel output figures for last month. Production averaged 280,800 tonnes per week, an increase of 19.7 per cent on January 1981.

This maintains an upward trend in production which has been visible since autumn, in spite of the fact that BSC output last month was hampered by the weather, the rail dispute and a strike at Tees Dock.

National Freight buy out succeeds

By Lynton McLain

ALMOST a quarter of the staff of the State-owned National Freight Company have applied for sufficient shares in the company to enable the consortium of management and staff to buy the company from the Government.

By yesterday, four days before the offer for sale of shares closes on Tuesday, more than 6,000 of the haulage, transport and travel company's 26,000 staff and 17,500 pensioners had applied for 4,342,975 of the £1 "A" Ordinary shares.

This compares with the £4.125m-worth of the shares laid down by the Government last month as the minimum necessary for the buy-out by management, staff and pensioners of the NFC to go ahead.

The offer for the sale of shares is based on issue of 7.5m £1 Ordinary shares. The consortium was offered 6,187,500 "A" Ordinary shares, representing 82.5 per cent of the equity.

The remaining balance of the equity, 17.5 per cent of the total, is in the form of 1,312,500 "B" Ordinary shares, which a syndicate of banks has conditionally agreed to buy.

Before yesterday's announcement by the company that the buy-out, the biggest proposed in Britain, was now able to succeed "subject to formal completion of legal and financial details," NFC had hoped that at least 60 per cent, 14,400, of the 24,000 non-management staff would buy shares through a £200 interest-free loan offer by the company.

The 2,000 middle managers in the company were expected to subscribe about £1,600 each to provide the bulk of the £4.125m minimum needed for the scheme to go ahead.

The top 20 managers were expected to subscribe between £1,600 and £25,000 each.

Total purchase price of the NFC is £53.5m, of which £51m will be provided by a syndicated loan by Barclays, Barclays Merchant Bank, the County Bank, Lloyds, National Westminster and Williams and Glyn's.

The net payment to the Government of the sale of NFC to the staff is expected to be £6.5m, after taking account of the £47m payment by the Government to make up deficiencies in NFC's pensions fund.

Inflation still 12% due to cold but fall likely

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE ANNUAL inflation rate in January remained at 12 per cent for the third month in succession but there are strong indications that the rate will start to fall again. It was previously as high in April.

Government strategists have maintained that the present level of the inflation rate would be only a temporary setback to the downward trend which started in the spring of 1980.

The rate would have fallen last month if the cold weather had not resulted in exceptionally large price increases for seasonal food.

If these food items are excluded the inflation rate for retail prices shows a slight fall of 0.2 points to an annual 11.6 per cent the same rate as in August.

No large rise in food prices is expected in February and no substantial increase in other groups of prices is foreseen. It is, therefore, expected that the rate will continue downwards.

In March and April the inflation rate will be strongly influenced by the effect of any changes in indirect taxes made in the Budget.

Last year excise duties on tobacco, alcohol and petrol were raised by substantially more than the going rate of inflation and this added 2 per cent to the Retail Prices Index.

Last March the RPI increased 1.5 per cent compared with its level in February, and in April it went up a further 2.9 per cent, reflecting the bulk of the Budget measures. If the Chancellor decides to raise excise duties by 12 per cent in line with the present inflation rate, he would add about 1.1 per cent to the RPI.

Since this would be a smaller increase than last year, however, it is possible the annual inflation rate could continue to fall — even in the face of an increase in excise duties.

In January the RPI stood at 310.6 (1974=100), an increase of 0.6 per cent compared with the previous month. The Tax and Price Index — which measures the gross increase of income which taxpayers need to keep up with prices — was 15.6 per cent up on a year earlier. The most recent figures, for December, show earnings are rising at an underlying annual rate of about 11 per cent.

Optimism that the inflation rate will soon start to fall has been encouraged by the January figures for wholesale selling prices, which showed the annual rate of increase fell — for the first time since July — to 11 per cent.

The steadiness of sterling in recent months and the easing of oil prices have helped to moderate cost pressures on industry while the continued weakness of consumer demand has kept manufacturers from increasing prices.

The sharp improvements in industrial efficiency recently, with generally low wage increases in the industrial sector, have also helped to reinforce the Treasury's view that inflation could fall to an annual rate of 10 per cent by Christmas.

The UK's inflation rate is now just a little higher than the

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INFLATION AT ANNUAL RATES

December	(per cent)
Japan	4.3
West Germany	6.3
Austria	6.4
Switzerland	6.6
Netherlands	7.2
Belgium	8.1
U.S.	8.9
Sweden	9.1
UK	12.0
Canada	12.1
Denmark	12.2
France	14.0
Spain	14.5
Italy	18.1
Greece	22.5
Ireland (Republic)	23.3
EEC (average)	11.6
OECD (average)	9.9

Source: Department of Employment

£ in New York

—	Feb. 11	previous
Spot	$1.8445-8460	$1.8660-8665
1 month	0.24-0.30 pm	0.21-0.26 pm
3 months	0.79-0.87 pm	0.78-0.84 pm
12 months	2.40-2.60 pm	2.55-2.65 pm

Laker Gatwick job losses total 1,700

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ABOUT 1,700 of Laker Airways 2,00 staff at Gatwick lost their pobs yesterday following last week's collapse of the airline.

The extent of the redundancies came as a shock to many staff, who were buoyed up by hopes that Sir Freddie Laker might get a new airline rolling in time to save their jobs.

About 300 are kept on to service the assets in the hands of the Receivers, the offices, hangers, aircraft, equipment and vehicles.

Sir Freddie, now trying to form a new airline with Mr Tiny Rowland of Lonrho, said he was "shattered" by the scope of the redundancies. "It means we have to have our licences immediately, so we can start to re-employ some of them."

If it took three or four months to get licences from the Civil Aviation Authority, he said, "then there won't be any airline. It has to be done immediately."

He expects to approach the Authority early next week.

But it made it clear yesterday that the whole question of sorting out the route licence problem for a new Laker-Lonrho airline was "extremly complicated" and would take longer than was thought likely.

If set up as a new legal entity it would have to apply to the Authority for route licences in the normal way. To meet statutory obligations the Authority would have to satisfy itself on the financial soundness of the airline and its airworthiness.

It would need premises, aircraft and a properly constituted capital structure before the Authority considered licences.

The licence situation is further complicated by the British Caledonian Airways decision to apply for the Gatwick-Los Angeles route, and to seek have t orevoked the dorman licence of Laker.

The Receivers of Laker have no powers over route licences, solly a matter for the Civil Aviation Authority.

If 21 days after the proposed airline applied for the routes no-one has objected they and the CAA's criteria have been satisfied, they could be transferred to it without difficulty.

If objections are made, and these could come from the public as well as other airlines, a public hearing must be held.

Thus thoughts of a new airline being operational by April seem over-optimistic. Most airline observers believe early summer to midsummer more realistic.

At Gatwick yesterday, as the

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Sir Freddie wants to buy BA routes

By Alan Friedman

SIR FREDDIE LAKER yesterday expressed his long-term desire to see "The People's Airline" buy out the London Gatwick Airport operations of British Airways.

In the company of Mr Roland ("Tiny") Rowland, chief executive of Lonrho and his new financial backer, Sir Freddie said the privatisation of BA would open new areas for their planned airline.

"If we can get this company on the road and go public I think it would become the most likely vehicle to deal with the privatisation of British Airways."

He said he could envisage purchasing BA's Gatwick operations, possibly some of its aircraft and taking over some of its routes to the Continent. "It has to be wrong that poor old BA should operate from three airports."

He said, with a "network into Europe" the new Lonrho-Laker airline could generate its own traffic into and out of Gatwick.

All of this was far off in the future—"We haven't set out to take over BA," he said.

More immediately, Sir Freddie said, he and Mr Rowland hoped to introduce "a bonding scheme for

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Banks may act on cheque frauds

BY ROSEMARY BURR

RESTRICTIONS on use of cheque cards abroad are being considered by the clearing banks as part of a bid to stem losses through fraudulent misuse of cards, thought to be running at about £12m a year.

The cards may be redesigned to make it more difficult for the holder's signature to be erased and another inserted. One option, though less likely, is inclusion of a photograph of the cardholder.

Cheque guarantee cards allow customers to write cheques whose payment is guaranteed by the banks provided certain standard procedures are followed.

About 16m people hold the cards. Each of the big four clearers is thought to be losing about £2m a year as a result of cheque books being stolen or customers unable to meet their cheques. The banks set up a joint working party on losses last year.

Its recommendations are being considered by the banks' chief executives.

On the overseas front, the banks may insist that cardholders get a special encashment card to use abroad. At present customers of Midland, Lloyds and National Westminster can use their cheque-books and cheque guarantee cards overseas through the Eurocheque system.

An alternative method of tackling overseas losses would be to give British travellers Eurocheques to use abroad. This would have the added advantage to customers of allowing them to write cheques in local currencies and cash the equivalent of £75 per cheque, rather than £50 under the present cheque guarantee card.

Any change in the format of the card is likely to be a joint decision uniformly applied by the clearers.

Initially there was no uniform design of cheque guarantee cards, but in 1969 the banks got together to establish a mandatory format. It is likely that the banks will adopt different approaches in reducing overseas losses.

Mr Terry Hollis, an assistant general manager at Midland Bank and chairman of the banks' working party, said: "I hope the banks will take action before very long. It is a matter of weeks rather than months."

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OVERSEAS NEWS

India to order 40 Mirages with option to manufacture

BY K. K. SHARMA IN NEW DELHI

THE INDIAN Government is to place orders for 40 Mirage 2000 fighters with the French company of Dassault before the end of this month and take an option on facilities to manufacture the aircraft in India.

Prolonged negotiations on the deal have now been completed and a "letter of intent" is to be signed soon. This will take into account all aspects of what will initially be a contract worth about $400m (£215m) for the purchase of the 40 fighters.

This is substantially lower than the $3bn contract which was being discussed with the French Government. But it could be increased if the Indian Government decides in favour of manufacturing the Mirage 2000 in the country. A decision on this must be taken within a year of the signing of the "letter of intent."

The original deal discussed involved the outright purchase of 40 Mirage 2000 aircraft, the import of another 40 in kit form for assembly in India and the manufacture in India of another 70. At present, only the first part of the deal is to be carried out.

Agreement has been reached on engines, electronic equipment and weapons for the Mirage 2000s to be supplied to India. These include sophisticated Patra missiles, also to be supplied by the French.

A suitable financing package has been worked out, involving the grant of credits by the French government.

The first six Mirage 2000s are expected to be delivered by the end of 1983 or early in 1984, and all the first batch of 40 will be in service with the Indian Air Force at about the same time that Pakistan wil acquire F-16s.

Both the delivery dates and the financing package will enable the government to meet criticism that it is making heavy defence purchases abroad at a time when it has taken a $5.8bn loan from the International Monetary Fund's extended financing facility. Payment for the aircraft wil be made in instalments long after the IMF loan has been disbursed by the middle of 1984.

An Indian Defence Ministry team is to visit the Soviet Union shortly to discuss the Soviet offer of improved versions of the MiG-23 and the MiG-27. The outcome of the negotiations will determine whether India will opt for the second and third phases of the Mirage 2000 deal.

Boost for Reagan team on wholesale price rise

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan was given further good news on the inflation front yesterday with the Labour Department reporting only a modest 0.4 per cent increase in U.S. wholesale prices in January.

The Department said that if the January rate continued throughout the year, it would mean an annual increase of only 5.3 per cent, the lowest since 1976.

The index rose 7 per cent last year, following increases of nearly 12 per cent in 1980 and almost 13 per cent in 1979. The figure for January was 6.3 per cent higher than in January, 1981, the Department said.

Mr Reagan's Council of Economic Advisers said it was encouraged by the January figure, which would have been considerably lower had it not been for a 1.1 per cent surge in food prices—largely due to exceptionally cold weather in the producing areas of Florida and California.

A fall of 0.9 per cent in energy prices in January almost totally offset the rapid increase in food prices, which private economists said they expected to be a temporary phenomenon. The 0.4 per cent January increase compared with an 0.3 per cent rise in December and 0.5 per cent in November.

Arab summit opposes U.S. boyco

BY RICHARD JOHNS, MIDDLE EAST EDITOR, IN TUNIS

SYRIAN proposals for far-reaching economic sanctions against the U.S. are being opposed by a majority of Arab states at the Arab Foreign Ministers' meeting which began yesterday in Tunis.

A sharp division between the radical Arab camp known as the "Steadfastness Front" and other member states emerged even before the Ministers began meeting.

Damascus called for the measures because of U.S. support for Israel and Washington's failure to punish the Jewish state for its effective annexation of the Golan Heights.

The measures proposed include a boycott of U.S. merchandise and withdrawal of funds placed with US financial institutions over a five year period but the demand for an oil embargo has been dropped.

The extraordinary session of the Arab League Council of Ministers was called by Syria following the U.S. vetoes in the UN Security Council for voluntary sanctions against Israel.

Defeat of the Syrian proposals as they stood at the outset was assured last night even though demands which it was canvassing as recently as last weekend have been modified, including use of the "oil weapon" and the rupture of all relations with Washington.

Not only are the sanctions called for by Syria too extreme for the conservative oil producers led by Saudi Arabia to contemplate, but Syria finds itself isolated because of support for Iran in the conflict with Iraq. Baghdad has sent a delegation, despite a previous condition that the Gulf conflict should also be discussed.

The radical Arab camp, including the Palestine Liberation Organisation, whose relations with Syria have under strain, tend to b that the trouble in Hama been orchestrated by Jordan and Saudi Arabia U.S. backing — to under Syria's position still furthe

The eight-point Syrian urges member states of Arab League not to ente "dealings with U.S. com in their development grammes," a bar on the im of U.S. products, and a b the investment of money in companies and banks w wide.

Haig seeks Morocco base use

BY OUR OWN CORRESPONDENT IN MARAKESH

WASHINGTON is seeking facilities in Morocco for the transit of U.S. military forces in an emergency, Mr Alexander Haig, Secretary of State, said in Marrakesh yesterday.

A joint military commission will meet in Rabat this spring to settle details. Mr Haig told a Press conference after a two-hour meeting with King Hassan of Morocco.

U.S. officials indicated Washington wanted access to some of the four U.S. Air Force and one U.S. Navy air bases built in Morocco during the French Protectorate.

They also indicated they would like to obtain port facilities, notably for the U.S. Sixth Fleet, whose capital ships, including the nuclear-powered aircraft carriers Nimitz and Eisenhower, called in Tangier harbour last month.

The Moroccan Foreign Minister, Mohamed Boucetta, told reporters earlier that Morocco was ready to enter into military co-operation with the U.S. Washington has already promised a substantial increase in military assistance to help Morocco combat guerrillas in the Western Sahara.

The Reagan Administration confirmed yesterday that it will ask Congress for an additional $115m (£62m) in military and economic aid for Turkey next year, Reginald Dale reports from Washington.

The extra aid, divided equally between military and economic assistance, would bring the total for the 1983 budget year to $815m, making Turkey the greatest recipient of U.S. aid after Israel and Egypt.

It is believed, however, to be less than Ankara asked for. This year U.S. aid to Turkey totals $400m in military sales credits and $3000m in economic support.

Mr Haig linked increased military aid to Morocco with the "destabilising offensive" which he said had been launched by Colonel Muammar Gadaffi of Libya. Col Gadaffi is accused by King Hassan of having supplied Soviet-made missiles used by the Polisario to shoot down three Moroccan aircraft over the desert last October.

Diplomats in Marrakesh said the request implied the establishment of a more or less permanent American military presence in Morocco to keep the facilities in readiness. But U.S. officials said there was no question of stationing battle-ready troops in the country.

Mr Haig later left Marrakesh for Bucharest to confer with President Nicolae Ceaucescu of Romania on his first visit to an eastern bloc country, to discuss the Polish crisis and Romania's economic problems.

Francis Ghiles adds: The U.S. enjoyed the use of four bases in Morocco, the last of which at Kenitra, north of Rabat, was evacuated in 1976. The second attempt on the King's life which took place as Hassan was returning from Paris in August 1972 was launched by his then head of staff, General Oufkir, with the help of Moroccan planes based in Kenitra. The other three bases used by the U.S. until 1963 were Nouaceur, near Casablanca, Sidi Slimane and Benguerir.

Israel worried about arms sales to Jorda

By David Lennon in Tel Avi

ISRAEL is concerned about possible sale of sophistic U.S. F-16 warplanes and mo Hawk anti-aircraft mis batteries to Jordan, and th are indications that Jerusa may mobilise its lobby in U.S. to try to halt the move

Israeli military officials that Jordanian possession such weapons would be greater threat to natio security that the supply Awacs surveillance planes Saudi Arabia. Israel laun a fierce battle in Congress year in an unsuccessful atter to block that deal.

Mr Aharon Yariv, a forr chief of military intelliger said the supply of F-16s t mobile Hawk batteries Jordan "will pose gr dangers." He said that if Jorc had such weapons, circu stances "might force Israel launch a pre-emptive str against Jordan if the coun was facing an Arab attack."

Israel fears the Jordani would be able to use the Ha missiles to hit targets in Isra airspace.

Mitterrand warned over spending

By David Housego in Paris

M LAURENT FABIUS, the French Minister for the Budget, has written a formal note to President Mitterrand warning of the risk that uncontrolled spending could result in an overshooting of the planned budget deficit for 1982.

The warning echoes the fears of officials and observers that the Government will find it difficult to keep this year's deficit within the ceiling of FFr 95bn (£8.5bn), which is itself an increase of 35 per cent on last year.

The Ministry of the Budget yesterday confirmed that M Fabius, as disclosed by Le Monde, had written to the President in December alerting him to the serious strains in the public finances.

These have arisen because of continuing additions to budget expenditure that were not foreseen in the original budget estimates. Among such items are the subsidy for Gaz de France's purchase of Algerian gas at above market rates as approved by the President; additional aids to agriculture; increased deficits in public sector utility corporations which are being held to a maximum 10 per cent increase in charges this year, and new subsidised loans to private sector industry.

It was known there would be inflationary risks in sharply accelerating the size of the budget deficit this year in efforts to stimulate the economy.

The concern of M Fabius, an advocate of using the budget to revive demand in the economy, is that these risks should not get out of hand.

M Fabius is well aware that politically the Government cannot raise further taxes to offset unforeseen expenditure.

THE Chinese news agency has published without comment this picture of China's Communist Party chairman Hu Yaobang sweeping the streets, Colina MacDougall writes. The picture comes at at time when the world is wondering what has happened to Peking's top leader, Deng Xiaoping, who has now been out of sight for nearly a month.

Hu, protégé of Deng's has himself been absent from the scene since 25 January. Has he been demoted? Or is he simply performing his stint of manual labour.

The custom had been dormant since 1977, when former Chairman Hua Guofeng, who had recently inherited Mao's mantle, led a team consisting of the entire Politburo (excepting Deng Xiaoping) to labour at the Ming Tombs Reservoir.

China's propaganda machine may have swung into action with this picture of Chairman Hu at work pour encourager les autres — or indeed, it may be doing him a good turn by picturing him so vigorously wielding a brush. But after all the rumours about Deng's ill-health, retirement, forced exile from Peking or whatever, it shows a funny sense of timing.

East bloc switches Poland tactics

By Robert Graham in Madrid

THE Soviet Union and its allies yesterday reversed their tactics at the European Security Conference and made no effort to block a series of highly critical speeches by Western Foreign Ministers attacking the martial law clampdown in Poland. At the previous plenary meeting on Tuesday the Polish chairman blocked 13 Western speakers in a bitter procedural wrangle.

Western delegates maintain that the Eastern European *volte face* was prompted by realisation that the tactic had been counter-productive. Several Western delegations publicly said that the Soviet Union and its allies were preventing free speech at the conference—one of the principles agreed by the 35 states which signed the Helsinki Final Act seven years ago.

It also seemed that the East European countries were content with having made clear their strong displeasure over criticism of martial law in Poland, which they insisted was an internal matter.

In his speech Lord Carrington, UK Foreign Secretary, referring tothe introduction of martial law in Poland said "repression of this kind is incompatibly not only with the letter of the Final Act but also with its political purpose of a healthier development of relations between East and West in Europe."

Reagan extends European visit

President Ronald Reagan has extended his planned June visit to Europe to include Britain and West Germany, the White House confirmed yesterday, Reginald Dale reports from Washington. It will be his first trip to Europe as President. Mr Reagan's tour will start in Paris, where he is due to attend the seven-nation Western economic summit on June 4-6. He will visit Rome and then fly on to London for a two-day visit before going to Bonn for a 15-nation Nato summit.

Egypt plans its economic rescue tactics

BY ANTHONY McDERMOTT IN CAIRO

EGYPT'S most experienced managers of the economy gather in Cairo today to map out guidelines for the country's 1982-87 development plan amid signs that the economy is deteriorating more rapidly than expected.

The 33 experts at the meeting, named by President Hosni Mubarak at the beginning of the month, include six current economics ministers and former economics heads and leading members of the small opposition parties.

With a new budget due to come into operation on July 1, putting the economy on the right path is a priority, particularly as Moslem extremists have found fertile ground in the social inequalities created by Egypt's liberal "open door" policy on foreign investment.

Mr Mubarak has shown much greater determination than his predecessor, Mr Anwar Sadat, to attack the problems of the economy and to discuss them openly. In his first major policy speech, in November, he identified seven major issues. These included:

- The need to rationalise consumption and direct savings towards productive activity.
- The housing problem.
- Means of ensuring that the colossal subsidy programme benefited only the deserving.
- The eradication of extravagant public and private spending.
- The shortage of skilled and trained labour.
- The reform of the import policy.
- Boosting and improving the public sector (whose net profits in 1981-82 were E£320m (£206m) on assets of between E£16 and E£20bn).

Mr Mubarak, in short, does not want the Egyptian economy to be run for the benefit of the "fat cats." He wants productive investment. When he spoke, a Cabinet reshuffle seemed likely, but not before Israel's final withdrawal from Sinai on April 25.

In fact it happened—abruptly—just after the New Year. Dr Abdel-Razzaq Abdel-Meguid, the Deputy Premier responsible for the economy since May 1980, was — as expected — removed along with his two-man ministerial team.

Mr Abdel-Fattah Ibrahim was made Deputy Prime Minister with overall responsibility for the economy. He took over only at the repeated insistence of Dr Fuad Mohieddin, the new Prime Minister. At least one of his team was openly astounded at his selection. Mr Ibrahim had been governor of the central bank since 1976.

The pretext for the early reshuffle was the naming of Dr Abdel-Meguid in a corruption case. The accusations were almost certainly unfair, and Dr Abdel-Meguid was reduced to defending himself in long newspaper articles against charges which had not been formally made in any court of law.

The problem with the conference starting today is that it may produce too many papers and variations of ideas. But there is no doubt that action is overdue.

The figures represent the situation before Mr Sadat's assassination on October 6. They show that the current account deficit has declined from E£89m to E£408m largely because of a drop in workers' remittances and tourism income.

On the Budgetary front, the deficit has increased from E£140m to E£640m. This was partly the result of Ministries spending more, the ending of bottleneck in capital spendir and the aftermath of a 20 p cent wage rise for civil servar last spring.

But above all, subsidies essential commodities ro during these periods fro E£344m to E£566m so that f 1981-82 subsidies are unlike to stay within the budget E£2bn.

The political uncertainties Mr Sadat's assassination and th months thereafter inevitably h hard both workers' remittance and tourism, which was dow in 1981 compared with 1980 b one quarter. Earnings from oi and the Suez Canal have ir creased slightly.

Oil earnings will be har pressed to reach the target leve of US$9bn, and the balance o payments, once proudly i surplus of US$15bn in 1980, therefore expected to reach deficit for 1981-82, perhaps o US$300m, and possibly twic that figure.

The encouraging sign now that there is more public debat about economic problems, abou sacrifices that have to be mad and the fact that the Govern ment alone cannot solve ther

China buys up bankrupt W. German spinning mill

BY LESLIE COLITT IN WEST BERLIN

PEKING has bought the production facilities of a bankrupt West German spinning mill and is planning to ship them to China, where the mill is to resume production.

The Kammgarnspinnerei Kaiserstautern was one of the oldest and largest worsted spinning mills in West Germany before going into bankruptcy late last year. The Chinese bought the spinning mill, dye-works and dye laboratories, as well as the production specifications and formulas from a Swiss bank which owned a share of the company.

The new mill is expected to be set up in Shanghai.

The company receiver Dr Robert Wieschemann would not give the sale price, noting only that the costs of dismantling the machinery and transport were virtually as high as the price paid for them by the Chinese.

The plant in Kaiserslautern produced some 4,000 tonnes of worsted yarn annually in two shifts. The Chinese are said to want to produce in three shifts and expect to turn out 6,000 tonnes a year.

Ruhrgas, the West German gas distribution group, has started talks with the Soviet Union and East Germany over the supply of natural gas to West Berlin, Kevin Done writes from Frankfurt.

Discussions held in East Berlin on Thursday could lead to the supply of up to 700m cu metres of natural gas a year to West Berlin with the first deliveries beginning towards the end of 1984. West Berlin has hitherto depended almost exclusively on coal and oil products for its energy.

Portuguese ignore general strike call

MILLIONS of Portuguese workers rejected the 24-hour general strike called yesterday by the Communist-dominated trade union confederation CGTP-Intersindicat, Diana Smith writes from Lisbon. Instead, they obeyed an urgent last-minute appeal by the Premier, Francisco Balsemao, to go to work "in the name of democracy and freedom."

The Portuguese Communist Party and CGTP-Intersindical had for months demanded mass industrial action to bring down the Balsemao Government, which they considered too shaky to survive intensive labour unrest, and to block reforms to the Constitution.

Louise Kehoe, in San Mateo, reports on the U.S. home computer boom

California's burglars reprogram

CALIFORNIA, the birthplace of the microprocessor, is leading the trend towards home computing. In San Mateo, near the Silicon Valley, home of some of the world's top microchip makers, personal computers have already become a common addition to the standard range of household electronics.

If California keeps up its reputation for setting trends in consumer electronics, then the home computer will follow the calculator and the digital watch to become a worldwide consumer boom.

A casual survey of a typical San Francisco Bay area housing development of some 700 homes, indicates that nearly 10 per cent of the residents already have a computer and the number is growing fast.

Computers for home and office are advertised on television every night. Almost all department stores now sell different models, and specialist computer stores are opening in local shopping centres.

A less palatable indicator of the spread of home computing is the rise in computer burglaries. Sophisticated Californian burglars increasingly tend to leave the colour television behind, taking the computer instead.

Many adult computer owners use their machines, at least in part, for business pursuits. With the right software—program — a personal computer makes a useful word processor. With the aid of a Modem—a unit attached to a computer, which allows it to "talk" down a telephone line—it can become a communications terminal, with access to stock prices, or send telex messages. Some programs give the computer the ability to help work out financial strategies.

Typical owners include self-employed people, like journalists, or consultants who use computers as design tools or for working out financial models. Salesmen use a home computer to keep their records. A teacher offers after-school tutoring in Maths and English using computer-based lessons. A local monthly newsletter is produced on an Apple computer. Many a portable computer travels between office and home, doing double duty as a professional aid and an entertainment or hobby system.

Home computers have practical domestic uses, such as preparing bulk shopping lists and monitoring family finances.

They also have valuable educational functions, as indicated by the fact that nearly every school in California—from nursery to college level—has one. For example, a local pre-school nursery class uses a computer to practise arithmetic, and a local primary school has a computer learning program with maths exercises to suit five- to 11-year-olds. To many young children in California, a computer is almost as familiar as a television.

However, home computer ownership has its frustrations. While the home computer is sold as a consumer item, it is not really ready to be one. The 90-day warranties offered by most manufacturers are inadequate for a system which may cost several thousand dollars. On top of this, not all the equipment is reliable. Disc drives—memory systems—are notorious for failing within a few months of purchase.

Another major problem is lack of service support. While many stores sell computers, only a few have service departments to repair them. Also, very few of the instruction manuals, which come with each piece of equipment or software are well written. Many are almost unintelligible to the computer novice.

It is also difficult to find good advice on which software package to choose. It is almost impossible to try out a program thoroughly before buying it, which often leads to expensive mistakes.

A particularly vexing problem with software is that the publishers have yet to work out a sensible way to protect their copyrights. It is so easy to copy a program, from one disc to another that software houses have resorted to incorporating locks in their program to stop copying. The catch is that this makes it impossible to protect the program by making back-up copies.

Personal computers are still expensive. Although several companies, like Sinclair, Commodore and Atari offer very low price units, these do not include the cost of peripherals, such as disc drives, a printer, a video monitor, perhaps a Modem and often extra circuit boards. For a fully-working computer system, software packages cost anything from about $30 (£16) for a game up to $400 (£215) for a word processing system.

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UK NEWS

Timex to market Sinclair in U.S.

By Jason Crisp

MR CLIVE SINCLAIR has licensed Timex, the U.S. watch and camera company, to market his highly successful computers throughout North America. Timex already make the computers, costing £70, for Sinclair Research at its factory in Dundee, Scotland.

Sinclair is selling 15,000 personal computers a month in the U.S. by mail order. Both companies expect this to rise sharply as soon as Timex begins marketing directly in a few months time. Timex products are sold through 170,000 retail outlets in the U.S., not all of which will be selling the computer.

Timex will sell the ZX81 computer, printer and Sinclair produced software. It will also have the right to the Sinclair name, which is probably as well known in the U.S. as in Britain. Timex will pay Sinclair Research a royalty of 5 per cent on all computer hardware it sells in the U.S., including any products it develops itself, or buys from a third party.

Mr Sinclair also receives a royalty of 5 per cent on computer software if it was written by his company or 2½ per cent if it comes from another source.

Timex also manufactures 3-D cameras for Nimslo, which it will also sell in the U.S., although the relationship is different to that with Sinclair.

Sinclair will continue to sell in the U.S. by mail order until Timex sales reach a certain unspecified level. Sinclair's U.S. company will then be used to sell the pocket-sized flat screen television which is due to be launched in the UK later this year at £50.

Sinclair Research which was set up by Mr Sinclair in July 1979 now has sales running on an annualised basis of £30m a year. Last year sales were £4.65m with pre-tax profits of £1.2m.

More than 500 people are employed by subcontractors making Sinclair computers and peripheral equipment while the company itself employs about 40. Research and development is running at £3m a year.

Timex is producing 60,000 ZX81 computers a month in Dundee, of which two-thirds are exported. It may also start production in the U.S.

● The BBC computer made by Acorn is to cost more. The basic version goes up from £235 to £299 and more sophisticated one from £335 to £399. Acorn says it is because it has more facilities than originally intended. Computers are made for Acorn by ICL and Cleartone in Wales.

The immaculate blonde MP who won confidence of consumer lobby

Elinor Goodman analyses the career of Mrs Sally Oppenheim

THE RESIGNATION yesterday of Mrs Sally Oppenheim as Minister for Consumer Affairs means that Mrs Thatcher has lost one of only four other women in her Government—and the one who conforms most closely to the Labour stereotype of Tory lady.

Blonde, always immaculately dressed and usually bejewelled, she exudes an aura of conspicuous affluence which infuriates Labour MPs when she first joined the Tory front bench in 1974. Mr Dennis Skinner, Labour MP for Bolsover, once quipped that the only shopfloor she knew was Fortnum and Mason's.

On another occasion, she is reputed to have given a hostage to fortune by saying that the best protection for consumers was shopping at Harrods.

Outwardly, therefore, she was not the kind of woman to appeal to the various pressure groups which make up the consumer lobby and when Mrs Thatcher appointed her she was generally regarded as a statutory woman in the trade team, but surprisingly these groups seem to have come to quite respect her.

The verdict on her yesterday seemed to be that she was "getting better" and that she had proved herself to be a good fighter. There is much concern that her resignation means a down-grading of the consumer portfolio.

Mrs Oppenheim, now 51, has held the same brief on the Tory front bench longer than most of her colleagues, many of whom switched responsibilities after the election. She was appointed Opposition spokesman on prices in 1974 and is best remembered for her all-night performance leading the Tory troops through the lobbies in a marathon attack on the Prices Bill.

She also incurred the wrath of the CBI by helping to block the Government's proposals on metrication.

By the time the Tories won the election in 1979, therefore, she already had her own clearly-defined views on the whole question of consumerism and at first it looked as if her fairly narrow definition of consumerism would put her on a collision course with the National Consumer Council.

In the event the collision was avoided and the Council now seem to think that she did her best to get her views heard in Whitehall.

These views were not always noted, however. Last year she was strongly in favour of forcing British Gas to sell its High Street showrooms.

She has, however, had some more modest successes recently. As a result of her intervention, for example, it looks like a Private Member's Bill strengthening the law on consumer services will get on the statute books this session.

She has also had her responsibilities widened since the election. With the addition of the tourism portfolio and with her responsibility for the Monopolies Commission she has certainly seen herself as more than just the "housewives' friend."

She has never looked like a future Cabinet Minister. She had a fairly conventional upbringing and at 18 married Henry Oppenheim, who became a vice-chairman of Mappin and Webb and later chairman of City Hall Properties.

Mr Oppenheim is generally reckoned to have been a millionaire, with a large farm in Gloucestershire and a house in Hampstead which hit the headlines when it was sold for £600,000.

In 1970, she took Gloucester from Labour and much to her satisfaction turned it into what now looks like being a safe Tory seat.

The signs yesterday were that she would fight the seat again at the next election despite her decision to resign as a minister.

The Oppenheims have always been a close family, and Mrs Oppenheim nursed her husband for several months before he died in March 1980. She returned to the House shortly after his death, but over the months, she has apparently found it increasingly difficult to cope with both her family responsibilities and her ministerial duties.

Appropriately, perhaps for a woman who has never preached the gospel of Womens Lib, she has decided that her family duties should take priority.

Tax changes to mortgage payments spelled out

By Ivor Owen

OWNER OCCUPIERS with an average mortgage of £15,000 repayable over 25 years at 15 per cent interest are likely to face an increase of about £1.50 a week in their building society payments from April 1983.

Mr Jock Bruce-Gardyne, Economic Secretary to the Treasury, gave this estimate to the Commons yesterday when discussing the effect of deducting tax relief on mortgage interest at source, instead of through adjustments to PAYE tax codes.

But he said that over the full repayment term the change would be advantageous to borrowers and he rejected a suggestion by Mr George Cunningham (Independent Labour, Islington South) that the Government should seek to persuade building societies to introduce new arrangements to prevent the biggest burden falling on owner occupiers in the earlier years.

Mr Bruce-Gardyne pointed out that it was not the switch to tax deduction at source—to be authorised in this year's Finance Bill—but the repayment systems operated by the building societies which would be responsible for the higher initial payments.

Bathgate buy out possible

PLESSEY announced yesterday a possible management buy out of its capacitor factory in Bathgate, which has been occupied by the workforce to prevent closure.

Mr Harold Jackson, managing director of the Scottish plant, said he hoped to acquire part of the plant to continue capacitor production following the scheduled Plessey closure next month.

In a separate statement Plessey said the proposal could retain 80 jobs and the company would give Mr Jackson every support.

The closure was to make 330 workers redundant. On Thursday Plessey dismissed the 200 workers, mostly women, who have been taking part in the sit-in for the past three weeks.

Call for further reform of Commons

THE NEED for further reform of House of Commons procedures to restore control and improve scrutiny over the executive was urged last night by Mr Edward du Cann, chairman of the all-party Treasury and Civil Service Committee and the Tory backbench 1922 committee.

In a speech to the Manchester Statistical Society, Mr du Cann argued that the departmentally related select committees set up in 1979 had been effective, pertinacious, informed, influential and a consistent watchdog of the public interest.

Cost of benefits fraud investigators

SOCIAL SECURITY fraud investigators are costing the Government £33.4m a year in pay, expenses and other costs, Social Security Minister Mr Hugh Rossi said yesterday. About 2,250 officers were on the anti-fraud staff at the end of 1981, he said in a Commons written reply.

De Lorean pay offs

ELEVEN HUNDRED De Lorean workers were paid off last night as the Northern Ireland Secretary, Mr James Prior, studied a consultants' report on the structure and viability of the Belfast sports car company.

The Government is understood to be giving high priority to reaching an early decision on action is to be taken over the company, into which it has injected £80m.

Norwich drops fight

NORWICH City Council has dropped its legal battle over council house sales with Mr Michael Heseltine, the Environment Secretary.

The council's majority labour group has decided against going to the House of Lords over the Court of Appeal ruling in favour of Mr Heseltine.

The leader of the council, Mr Len Stevenson, said yesterday "with the two High Court Judges and the three Appeal Court Judges it is 5-0 against us and there doesn't seem much point in carrying it on."

Shops Bill fails

PROSPECTS of an early relexation of statutory restrictions on shop trading hours receded further yesterday.

A private member's Bill seeking to authorise Sunday trading by garden centres was strongly opposed in the Commons by Labour MPs sponsored by the Union of Shop, Distributive and Allied Workers and failed to get a second reading.

Chambers estate

SIR PAUL CHAMBERS, chairman of Imperical Chemical Industries from 1960-68, left estate valued at £339,873 gross, £337,344 net, in his will published yesterday. Sir Paul died on December 23 aged 77.

Rodgers calls for talks with TUC on trade union legislation

BY PETER RIDDELL, POLITICAL EDITOR

THE Social Democratic Party wants to open talks with the TUC about trade union legislation, similar to the informal consultations already held with the Confederation of British Industry.

In a speech in Leicester last night, Mr William Rodgers accused the TUC of "sulking in its tent" and appealed to union leaders to start discussions.

Mr Rodgers was one of the main advocates of the party's majority vote last Monday in favour of the Employment Bill. His speech can be seen as an attempt to conciliate and to show that the SDP is not anti-union, while putting down a challenge to the union leaders themselves.

The TUC is unlikely to take up the offer of discussions so soon after the party's vote. While Mr Rodgers claims the "personal goodwill of a number of trade union leaders," most of even the right wing union leaders have criticised the SDP for its decision in the last few days.

There have been informal consultations between the party and the CBI—most recently when Mr Rodgers, Mr John Horam and Mr Wrigglesworth of the SDP's leadership, met Sir Terence Beckett, the CBI's director general.

In addition, SDP leaders have been keenly courted by chairmen and top executives of many big companies.

Mr Rodgers said: "Every government should seek a constructive dialogue with the TUC. An SDP-Liberal Alliance government would certainly wish to do so. We intend to build a unique partnership with industry and it would be foolish and destructive to exclude the trade unions from discussions.

"If the trade unions believe that their case against the Employment Bill is overwhelming they should be prepared to argue the merits and withdraw the threat of industrial action for political ends. My colleagues and I would be happy to meet a delegation from the TUC to hear their detailed representation.

"We should also hope to learn why the TUC is so cool towards amending the Bill in order to provide for internal trade union ballots and employee participation at the workplace."

"The trade unions have lost their mission but failed to find a role. The Prime Minister has excluded them from consultation and left them in the cold. But they themselves have shown no understanding of the growing demand for trade union-led reform and no ability to put their house in order."

Foot promises councils shake-up

BY ROBIN PAULEY

WIDESPREAD and radical reforms of local government, its legal status and financial powers, was promised yesterday by Mr Michael Foot, Labour leader.

He told the party's local government conference in Sheffield that even before the Law Lords' judgment against the Greater London Council's scheme for low fares on public transport the legal position of local authorities was precarious and absurd.

But the judgment, taken to its logical conclusion, meant that any local authority spending any money on a service that went beyond its statutory duty could be sued by a mean-minded ratepayer for spending beyond the Government's arbitrary limits and so incurring penalties.

He said: "This is all far too haphazard and no way to serve those who elect councillors to look after their interests."

Historically, if the protection of our people had been left to the judges, we should have precious few freedoms today, Mr Foot added. He promised a change in the law which would restore local democracy.

Mr Foot also promised radical financial changes. Current local government legislation passing through parliament would be repealed as would the entire block grant system.

A new system was needed to leave local authorities free to set their own levels of expenditure and leave central government free to determine its contribution to that expenditure.

Domestic rates, local government structures and council functions would also be reviewed by a new Labour Government.

Mr Gerald Kaufman, shadow environment spokesman, also promised reforms and the repeal of the "crazed and demented" attacks on local government by Mr Michael Heseltine, Environment Secretary, which would mean losses of about £2bn for councils in 1982-83.

Goodison's re-election as SE chief likely

By Christine Moir

SIR NICHOLAS GOODISON is now certain to be re-elected in June for a seventh year as chairman of the Stock Exchange, but not without some muted opposition.

Under Stock Exchange rules the chairman must be elected annually by secret ballot at the first council meeting of the year in June.

Some months before, however, the views of councillors and senior partners of member firms are canvassed to see if any opposition is likely to the sitting chairman or whether another candidate is emerging.

That process has been completed. Unless the council ballot in June produces an adverse vote against Sir Nicholas—which would be unprecedented in recent Stock Exchange history—he will serve a seventh term.

There has, however, been a degree of opposition to his re-election. It is an informal tradition in the exchange that chairmen should serve about five years. On that basis Sir Nicholas's re-election this year represented an extension of the normal period intended to facilitate the exchange's defence of its rule book before the Restrictive Practices Court.

The court hearing will now not occur before late next year so some councillors felt Sir Nicholas should make way for a new chairman.

There is also a small body of influential members of the exchange who feel that the collapse of Hedderwick Stirling Grumbar, the stockbroking group hammered last April, could continue to be embarrassing to Sir Nicholas.

Sir Nicholas's own broking firm, Quilter Goodison, was planning to take over Hedderwick, and in the event has picked up many of Hedderwick's private clients.

BL campaign causes car price war fears

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL's announcement of a "nationwide sale" of 1981-specification models yesterday sparked off fears of another cut-price car war.

The company insisted, however, that only "several thousand" cars were involved and that this should not disturb the market to any great extent.

The Motor Agents' Association commented: "This new BL campaign is in a different category from the one in 1980. We don't see it leading to the same, lemming-like rush by other companies to cut prices."

However, one of the leading motor trade consultancy groups suggested: "If BL has only a few thousand cars to get rid of they shouldn't shout about it.

"There has to be a better way. People won't read the small print and will believe all the groups models are involved.

"Also the timing is appalling. The autumn is the time for clearing out old models, not the spring when the trade is picking up again."

Included in the "sale" are the 1981 Rover range, recently superceded by new models, the Ital, the Allegro, which recently went out of production, the Maxi and TR7, both discontinued some time ago, and the Princess, shortly to be replaced by the Ambassador.

BL said dealers would decide what "sale price" to put on the models. No extra discount is being given by the group—but there are bonuses for dealers who achieve certain sales targets.

A Midlands dealer, for example, is offering a "free" Mini City (list price £2,899) or a holiday for two in Hong Kong or Bangkok for every customer buying a 1981 Rover 3500 Vanden Plas, list price £14,506. And one London dealer immediately offered a 16 per cent discount on a Princess when telephoned yesterday.

Mr Ray Horrocks, chairman of BL Cars, insisted that the group would stay clear of major price-cutting campaigns in 1982: "We have told the dealers that this year the new products will sell on their merits."

Jenkin says no more cash as BL loses engine order

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MR PATRICK JENKIN, the Industry Secretary, stressed yesterday that it was for BL to solve the strike at Leyland Vehicles. His statement came after J. C. Bamford, a big customer for Leyland's engines, confirmed that it had switched to Perkins as its major supplier.

Mr Jenkin said in Manchester: "It is for the company to solve the position as with the strike in the cars division last autumn.

"It is perfectly clear that the company cannot come to the Government for more money. That is totally accepted."

Bamford says that it will start putting Perkins engines into equipment in the week beginning February 22, when it will have run out of its stock of Leyland engines.

The company has, however, left the door open just a chink for Leyland to supply part of its engine requirements if and when production resumes at the Bathgate plant.

It said: "Our future plans for the use of Leyland engines from Bathgate will depend on how speedily the dispute is resolved and how continuity of supplies may then be guaranteed."

Bamford has been a major customer of Leyland engines for 17 years, and has taken about a third of total engine production under a contract worth £5m annually. It took its engines from Ford before, but switched to Leyland after a strike at Ford disrupted supplies in circumstances very similar to those which have caused Bamford now to go to Perkins.

Building society receipts up in January

By Andrew Taylor

NET RECEIPTS of building societies recovered last month to their highest level since June last year. Receipts in January rose to £356m compared to £203m in December and £65m in November.

The January figures show that building societies are lending less money to home buyers. Last month societies proposed to lend home buyers £685m, the lowest monthly total for two years and well down on the average of £1bn a month in 1981.

The drop in lending last month reflects the continuing high level of building society interest rates, competition for home loans from the clearing banks and the bad winter weather which will have disrupted the normal flow of commercial business.

Nevertheless the combination of lower mortgage lending and an improving level of receipts since November — the worst month for receipts for five years — will add to the pressure on building societies to lower the recommended mortgage rate currently at 15 per cent.

Last week Mr Alan Cumming chairman of the Building Societies Association suggested that a reduction in the mortgage rate of two percentage points may occur in stages, with a one percentage point cut in the rate possible in the next couple of months.

Health watchdogs survival fight

BY GARETH GRIFFITHS

COMMUNITY Health Councils, the consumer watchdogs of National Health Service districts, believe they are fighting for survival following a government decision to end funding of their magazine next month.

CHC News received a Department of Health grant of £74,000 for 1981-82, which met most of its £78,900 costs. The residue was made up by 1,300 paying subscribers but CHCs received 6,700 copies of the magazine free.

The Association of Community Health Councils for England and Wales argues that CHC News also acts as a valuable information clearing system, helping CHCs monitor the NHS properly. The CHCs were set up during the last NHS re-organisation in 1974.

Mr Merlyn Thomas, chairman of the association, said in London yesterday that CHCs were fighting for survival. In the coming financial year their annual combined budget of £5m had been cut by 10 per cent and there would be a review of the future role of CHCs in the next couple of years.

Changing the funding of the magazine would mean employing extra staff to run an advertising department to finance CHC News.

A parliamentary campaign to have funding restored to CHC News has been launched. Under the Government's proposals, the magazine's funding will end on March 31.

Some Chemical Bank offices for Cardiff

Financial Times Reporter

CHEMICAL BANK, the UK merchant banking subsidiary of Chemical Bank in New York, is to transfer a part of its operations from London to Cardiff.

The bank is negotiating to take about 56,500 sq ft in a new office development at Fitzalan Place, Cardiff. It is expected to employ about 300 in Cardiff and 150 to 200 of these jobs may be filled locally. Chemical Bank has 600 staff at its London headquarters.

The extent to which Chemical Bank will decentralise some of its UK activities away from London is not entirely clear, but it is the first time that an overseas bank has moved its activities away from the capital.

Shipowners 'can recover Iraqi tax'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

SHIPOWNERS can recover from charterers an "income tax" levied on vessels using Iraqi ports, the Court of Appeal ruled yesterday.

Whatever the Iraqis chose to call the tax, said Lord Denning, it was in reality a tax on freight for which charterers were liable under a standard clause in the Exxonvoy charterparty.

The court dismissed an appeal by a Swiss charterer, Transcredit and Oil Trade Anstalt, against a Commercial Court ruling that the company had to reimburse the Iraqi tax paid by the Norwegian owner of the tanker Gunda Brovig.

Lord Denning said that, although the amount of money involved was small, the case was of some general importance to the shipping community.

When the Gunda Brovig went into Basra she had to pay "income tax on freight earnings." The tax was levied, on a sliding scale, on each of an owner's vessels using the port in a year.

It was agreed that if the same tax had to be paid by each vessel on a flat scale it would certainly be a tax on freight.

The charterer argued however, that, because it was on a sliding scale, increasing for successive vessels, it ceased to be a tax on freight and became a tax on the owner's income.

Lord Denning rejected that view, holding that it was a tax on freight for which the charterer was liable.

Motorcycle industry hopes for sales boom

BY JOHN GRIFFITHS

THE UK motorcycle industry is hoping for a boom in the sale of powered two-wheelers because of a loss of confidence in public transport.

It sees a market developing among two types of commuter: those angered by the rail strikes, who also encountered traffic delays in bringing cars to work; and those who face a doubling of fares on London Transport next month when the Greater London Council ends its cheap fare scheme. Big increases are also expected in some other large cities.

Mopeds are seen as most likely to benefit if commuters desert public transport. Sales of these held up comparatively well in January although Britain was snow-bound

Moped sales fell by 14 per cent compared with January 1981, but this was far less than for motorcycles, down 54 per cent, and scooters, down 39 per cent.

Total two-wheeler registrations were 9,000, compared with 13,500 in January 1981. The figures are distorted, however, because dealers registered about 2,500 machines in December ahead of legislation for learner-riders which came into force on January 1.

Thus actual sales last month were almost certainly higher than the registration figures indicate.

At the beginning of the year, the industry predicted a total of 300,000 sales this year, against 275,000 in 1981.

Fulmar oilfield on stream

By Martin Dickson, Energy Correspondent

THE FULMAR oilfield has started production, the 19th UK North Sea oil find to come on stream and the first this year.

Shell, the operator, said oil began flowing on Thursday. Production was likely to average 30,000 barrels a day for the first month and 67,000 b/d over 1982. Peak output of 180,000 b/d should be reached in 1985.

The field, 170 miles east of Dundee, is estimated to contain 450m barrels of recoverable oil, making it a medium-size find by North Sea standards.

Shell said its production facilities had cost £420m and by the time all the field's wells had been drilled the total bill would be about £580m.

Rising costs drive head offices away from central London

Finance moves in as industry leaves, Andrew Taylor reports

RISING COSTS have persuaded several big commercial and industrial companies to move out of expensive central London offices, where rents, rates and salaries are the highest in the country.

Blue Circle and W. H. Smith this week joined the growing number of companies to announce plans either to move or to reduce their head offices in London.

Blue Circle announced details of its planning application for a new head office in Berkshire, and W. H. Smith is to move its retailing head office to Swindon.

Blue Circle, Britain's biggest cement maker, took its decision as a major rent review was due on its London headquarters at Portland House, Victoria.

Big concerns looking at their London office needs include:

- ● British Steel, which is moving its head offices to Croydon.
- ● International Harvester, which has moved its head office to Doncaster.
- ● Blue Circle, which plans a new head office on 137 acres of land at Aldermaston Court, Newbury, Berkshire.
- ● Unilever, which last month proposed to cut by a fifth its central London office space.
- ● Tube Investments, which last April completed plans to transfer most of its head office operations to Birmingham.
- ● W. H. Smith, which is to move to Swindon, leaving its corporate headquarters and wholesaling division still in the capital. About 170 jobs will be affected by the move.
- ● GKN, which has put 50,000 sq ft of office space at its headquarters at Kingsway, London WC2, on the market, and is moving to smaller premises of 15,000 sq ft in nearby St James's.

And in October last year, Fluor, the U.S. construction company, said it was considering moving from its London headquarters at Euston Square, partly because of sharply rising rates bills.

Decisions to move out of London do not reflect only the impact of rising overheads in Europe's most expensive property market. Companies like Tube Investments have recognised the need to locate senior management close to operating plants.

W. H. Smith said it was moving to improve links between management and its distribution centre at Greenbridge in Swindon, employing 1,200 people.

None the less the high cost of running London offices is often a significant factor.

For example, Blue Circle is thought to be paying around £6m in rent and rates for the 300,000 sq ft of space at Portland House, some of which it sublets. It must also find around £600,000 to pay annual London weighting allowances to its 700 office employees.

The U.S.-owned Chemical Bank is believed to be planning to move at least part of its London operations to South Wales. Around 300 jobs are thought to be involved, but it is not clear how many will be new jobs and how much work will be transferred

But it is unusual for a big overseas bank to base corporate functions outside London. Most have been expanding their London operations and taking a good deal of office space in the City, West End and elsewhere.

The growing use of offices by financial services has more than compensated for the move by industrial and commercial companies to areas where rents, rates and salaries are cheaper, and London estate agents believe this will continue to underpin commercial rents in the capital.

Most property analysts attribute the present dull rental climate to a rise in the competition of new office schemes rather than to a substantial fall in demand.

This fact is borne out by a new office survey published by estate agents Richard Saunders, which shows that although the amount of space available in the City and City fringes rose in January to 2.25m sq ft (compared with an average over the previous six months of 2.1m sq ft) lettings were slightly above average at 159,736 sq ft.

LABOUR

BA hopeful on flights as dispute is made official

BY BRIAN GROOM, LABOUR STAFF

BRITISH AIRWAYS hopes to operate more than 80 per cent of its European and domestic flights to and from London Heathrow airport this weekend, in spite of a decision by the Transport and General Workers' Union to make the ramp workers' dispute official.

Leaders of the 2,000 BA ramp workers at Terminals One and Two were yesterday drawing up plans to mount official pickets. A meeting of TGWU Heathrow shop stewards offered unanimous support.

The ramp workers hope that other workers such as engineers, maintenance staff, tanker drivers and aircraft refuellers—members of the TGWU and other unions—will refuse to cross the picket lines.

Mr Mike le Corneau, chairman of the ramp workers' stewards, refused to speculate on the level of further disruption which could be caused.

Volunteers, such as pilots and office staff, many of them on their days off, have enabled BA to provide an increasing level of service since the dispute began on Tuesday.

The ramp workers claim they were locked out after they refused to accept new work schedules which form part of the airline's survival plan. Management wants them to be rostered for 40 hours' work instead of the previous 38½ hours, to end guaranteed overtime and to increase the workers' "attendance factor."

Mr le Corneau said that although other groups had accepted extensive changes in working practices, these had been done by agreement. BA was attempting to impose changes on the ramp workers.

Mr Moss Evans, TGWU general secretary, said last night that the ramp workers were now prepared to accept changes which might even involve job losses, as long as work was resumed under old arrangements to allow a period for negotiation. The dispute was made official after management failed to agree to this.

BA achieved 80 per cent of European and domestic services yesterday. It cancelled 27 departures and the same number of arrivals.

Some long-haul flights went without catering when vehicles did not cross picket lines. Some food got through to aircraft later.

Dockers continue blockade of gates for flood barrier

BY NICK GARNETT, NORTHERN CORRESPONDENT

DOCKERS ON the Tees voted overwhelmingly yesterday to continue the blockade of the remaining gates for the Thames Barrier flood control system.

They also voted to continue the 14-week stoppage over pay and productivity which has halted all movements in and out of Tees Dock. The 535 men have rejected a 6 per cent pay offer linked to productivity and want more pay in line with inflation.

The consulting engineers for the Thames Barrier, Rendell, Palmer and Tritton, said yesterday that on the existing completion programme for the scheme it was now "past the point of no return."

That did not preclude, however, revisions to the programme, due for completion in November, to try to make up for lost time.

The huge floating cranes, which will be used to instal the biggest of the four remaining gates and which are on loan, are due to be on the Thames ready for work next month.

The vote to refuse dispensation for the gates, carried by 425 to one, immediately followed a meeting between the dockers' strike committee and representatives of the gates constructors, other companies involved in the barrier's installation and the Ministry of Agriculture.

The strike committee was asked to give dispensation in view of safety considerations for London.

Cleveland Offshore, the gates manufacturers, told representatives of the strikers that it was taking legal advice on whether the loading of the remaining gates fell within the dock labour scheme.

The company said earlier this week that it believed that it did not fall within the scheme. The dockers claim it does.

A statement by Cleveland Offshore said that the dockers had "rejected the request that the move should proceed in spite of the significantly increased risk to the London area."

Mr Jim Yates, chairman of the local Transport and General Workers' Union branch, said the employers had referred to the threat of flooding towards the end of last year.

The dockers, who voted 422-4 to continue the stoppage, felt as a result that the position was not critical for the capital, Mr Yates said.

Left swing likely in post union

By John Lloyd, Labour Editor

MR ALAN TUFFIN, the new general secretary of the postmen's Union of Communication Workers, is likely to swing it to the left and is keen to work with other public sector union leaders on an anti-Government strategy.

Mr Tuffin, the 48-year-old former messenger, who takes over from Mr Tom Jackson in July, was elected by 110,000 votes over the runner-up, Mr Tony Clarke, on a second ballot.

He sees political change in the union as a reflection of rank and file movements by the leadership. These movements, he says, have been partly caused by growing opposition to the Government.

"We are public sector workers. We are not going to get a fair deal under this Government. If the Government are going to use the weapon of cash limits against us they will bring the public sector out against them."

Reluctant to spell out how he will change the union until Mr Jackson retires, Mr Tuffin says the UCW—like all unions—suffers from a certain distance between its officials and its members.

"We have to reconvince workers of the need to belong to unions. We, as officials, have to get closer to the shop floor."

Shell may close refinery in dispute on allowances

BY BRIAN GROOM, LABOUR STAFF

SHELL UK yesterday threatened to close its biggest oil refinery on Monday if 1,500 workers do not abandon sanctions over a claim for higher local allowances.

Management at Stanlow, near Ellesmere Port, told members of the Transport and General Workers' Union that they would be regarded as having suspended their contracts of employment by their action.

Shell said it hoped mass meetings tomorrow would resolve the dispute. Other unions representing the plant's 3,700 workforce have accepted an 8 per cent rise in local allowances.

Workers at all Shell UK's four refineries agreed to an 8 per cent national pay increase in December. TGWU members at Stanlow are the only group to have refused the 8 per cent rise in allowances.

They began a staged implementation of sanctions on February 1. Internal drivers have refused to accept instructions from routing staff over cab radios. Shell said this meant the refinery was becoming unworkable.

Shell said the glut in the market for petrol and other fuels meant there would not be problems at the pumps or for companies, although Shell could lose business. Stanlow, which accounts for about half Shell's throughput, has been running at 50-60 per cent of its capacity of 250,000 barrels a day.

● The Advisory Conciliation and Arbitration Service is to become involved in pay talks for 210 workers at the Sulom Voe oil terminal in the Shetland Islands next week, after BP refused to increase a 7.5 per cent offer.

A.C. Delco strike may hit Vauxhall

VAUXHALL MOTORS has warned production workers at its Luton factory that they could face lay-offs next week because of a strike at one of its major components suppliers.

Output of the Cavalier car could be halted if the strike at the AC-Delco plant in Liverpool continues.

The strike, which began on Wednesday, is over a pay offer which has already been accepted by workers at AC-Delco plants at Dunstable and Southampton. The Liverpool plant makes instrument components for both the Cavalier car and Bedford vans.

Vauxhall could also be faced with further action by some of its own shopfloor workers over production bonus. There have already been two stoppages at the Luton plant and possibly more will follow unless the company improves on the bonus, say unions.

Settlement at Borg Warner

By Our Welsh Correspondent

MANAGEMENT and trade unions at the U.S.-owned Borg Warner automatic transmissions plant, Kenfig Hill, South Wales, signed a pay settlment yesterday giving the 1,120 workers increases of up to 12 per cent depending on performance. An overtime ban was lifted at once as a result.

The company said the deal would improve the company's viability and enable it to catch up on a backlog of orders. Earlier this week it warned that the Welsh factory was in danger of closing unless the pay issue was settled by this week.

Call to end ferry blacking

SEAMEN at Holyhead, North Wales, are to be told by their union to stop blacking the Sealink ferry, St. Columba and allow it to sail.

The National Union of Seamen fears that the dispute could threaten jobs at Fishguard from where the ferry is due to operate.

Seamen are blacking the ship in protest at Sealink's plan to introduce a Dublin-Holyhead service by the Irish government-owned B & I line. They fear they will lose jobs, and want a second Sealink ferry to operate the route.

Union branch protest rejected

The 600 members of the electricians' North London branch, threatened with dissolution by the union's executive council, failed to win a reprieve in the High Court yesterday.

An application by Mr Harry Tout, former lodge secretary, for temporary court orders to stop the executive dissolving the lodge and transferring members elsewhere pending full trial of the dispute, was dismissed by Mr Justice Vinelott.

Hauliers' pay deals avert strikes

BY BRIAN GROOM, LABOUR STAFF

ROAD HAULAGE employers and drivers in the private hire-and-reward sector seem set to complete their pay round without major disputes. The threat of possible strikes in the South-East, Scotland and South Wales has been averted.

Deals have been concluded or recommended in most of the 21 regional negotiations. They are generally in the 6-7 per cent range or slightly above, compared with 3.2-6.7 per cent last year.

But this year's settlements are higher than some companies in the industry wanted. There are fears that a number of employers will have difficulty in paying the increases.

A 7.2 per cent rise for Scottish drivers, raising the minimum for the highest category of drivers from £83 to £89 for a 40-hour week, has been recommended for acceptance in a ballot.

Recent agreements include a similar rise in Liverpool, and an 8.5 per cent deal in South Wales, taking the top rate from £78.28 to £85.

A £5 across-the-board increase for heavy goods vehicle grades has been agreed in the North-West, a 6.17 per cent rise in the West Midlands, and 6.25 per cent in Teesside, Darlington, and Bishop Auckland. South-Eastern drivers have accepted 7.4 per cent.

Settlements remain to be reached in Sheffield, the southern area, North and Mid-Wales, Tyneside, Devon and Cornwall and the eastern area.

January 1 is the settlement date for most of the industry.

The recent deals include several increases on overnight subsistence rates, giving rates varying from £9.50 to £10.50.

Last year's low settlements followed high deals in earlier years. Traditional guaranteed overtime agreements in a number of areas have sheltered earnings from some of the recession's worst effects, although there have been job losses.

● Texaco is to implement the first stage of a productivity deal with its 1,000 tanker drivers and depot workers on March 1. The agreement, which includes 187 voluntary job losses, could provide rises of between £20 and £25 a week.

THE WEEK IN THE MARKETS—1

Sterling's growing role

LONDON

ONLOOKER

STERLING'S GROWING ROLE It has become a growing feature of the stock markets this year and particularly in the three week account which closed yesterday that U.S. interest rates do not impinge quite so heavily on gilts and equities traded in London.

Other traditional pointers seem to be losing their edge, too. Sterling M3's erratic progress has been overtaken by exchange rate policy as the arbiter of interest rates on this side of the Atlantic and so the news that money supply had been swollen 1½-1¾ per cent in banking January was not the signal for alarm that it might once have been.

The pound's international status matters more, it seems, and the currency's steadiness toward the end of the week kept Government stocks and leading shares in tolerably good heart.

It certainly doesn't hurt, of course, that the Fed still has not been persuaded to react too violently. Not that the recent extravagant growth in U.S. money stock can be ignored completely. Normally the week's change in M-1 is announced an hour or so after the Bank of England likes to unveil a new gilt-edged issue.

This week, however, the Old Lady was playing safe, unwilling to deliver a tap into the sometimes stormy aftermath of another M-1 increase. So the authorities launched the new short tap, Exchequer 13¾ per cent 1987, on Monday.

Imps' ignition

A new spirit rules at the Imperial Group, the company which makes half the cigarettes smoked in Britain and has a big stake in the brewing and food industry too. For years, the group was prosperous, easy going—and just a little complacent. Then the world changed.

Falling volume and higher taxes sent the cigarette business into a phase of cut throat competition. And some of Imps' recent acquisitions started to go badly wrong.

Last July, the group announced a sharp fall in interim profits, and a hurried change of chairmen. A dividend cut seemed more likely than not.

This week, by contrast, Imps reported a strong recovery in profits during the second half—admittedly before taking some substantial extraordinary provisions into account. And Mr Geoffrey Kent, the new chairman, said that all aspects of the business were being reassessed with a view to achieving a substanial increase in profitability.

The dividend was maintained—and, what's more, was covered by current cost earnings.

The task of reshaping Imps has only just started, and there are plenty of hurdles in the short term—like the threat of another rise in excise duty in next month's Budget, and the indications of a renewed outbreak of hostilities among the cigarette makers.

Still, the group's profits are significantly higher so far in the current year, and Mr Kent is saying the kind of tough things that Imps' shareholders have been waiting to hear for years. The shares have been rallying for several months now—and with the yield still around 12½ per cent, they could have some way left to go.

Trident trumps?

Trident Television looks to be in the running for a five card trick with its handling of the Playboy casino empire takeover. The "A" shares were 51p when the deal was announced on November 3. They had climbed steadily to 70p by the beginning of this week as the truth dawned in the market that even the threatened closure of the three London casinos might not leave Trident much out of pocket.

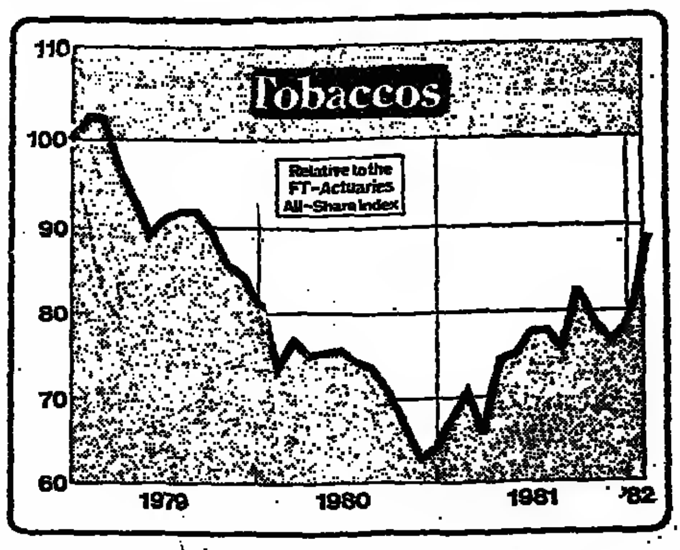
Trident turned up another ace on Wednesday, announcing that the Gaming Board had dropped charges against the casinos and allowed Trident to apply for new licences on the Playboy and Clermont clubs in May. In exchange, Trident will close these two clubs for gaming pending the May hearings.

This means some immediate redundancies and the end of the whole Playboy ethos. But smiling shareholders outnumbered the long-faced bunny girls—the shares leapt up to 87p before profit-taking pulled them back a few pence late in the week.

The London casinos together earned £16.6m pre-tax in the year to last June. Assuming a full year for the Victoria and one quarter only for the other two—and apportioning 1981 profits on a pro rata basis—Trident will earn about £3m pre-tax from gaming this year to September. It anticipates £1m from its new betting shops and probably earned over £2m from its discontinued television earnings in the three months to December.

This adds up to a conservative fully taxed 5.9p per share and a maximum p/e of 14.1 at 83p per share. But a full year of casino profits at their old rate would alone mean 16.6p per share for 1982/83 which implies a p/e of 5 at this level.

The shares retain some risk. Licences could be refused in May on grounds of inadequate demand to justify a reopening of the Playboy and Clermont clubs. But Trident only needs one more ace card in May—which the go-ahead for both clubs would provide—to complete the trick.



Dowty slips

Is the stock market now making a more realistic assessment of the prospects for aerospace and mining equipment? The interim results from Dowty, by contrast to the preceding preliminary results, suggest that it is.

Dowty is heavily involved in each area. Well over half its trading profits stems from aerospace and much of that is made up of the Tornado programme. It also has powerful representation on both sides of the Atlantic in long wall mining and, principally through Dowty Meco, another 25 per cent of its profits come from this source.

Six months ago, when Dowty had ruled the books off on the year to March 1981, the reward for a mere £1.7m fall in pre-tax profits to £36.2m, was a pronounced share price slide.

The immediate reaction to a fall of 18 per cent pre-tax to £15.7m in the subsequent six months was another sharp drop but a good recovery was under way by the end of the week.

Dowty had made it fairly plain that it was not expecting to keep up the earlier momentum in aerospace and, with a slower call-off on Tornado schedules which are worth some £250,000 per "set" to the group, so it proved. Aerospace was down by about £1m before interest and tax to just under £10m.

Yet mining turned out rather better than expected. However dull the NCB investment programme may be, the division has done well in export markets and its contribution at £4.7m was double that of the preceding six months. The industrial business picked up a little volume with some help from the railway marshalling side but the electronics division slipped badly from £1.41m to £604,000.

The upshot is that the shares are now trading on a multiple in the low 'teens whereas early last autumn, the p/e was some 10 points higher. Whichever view turns out to be correct, today's rating still seems to make due allowance for Dowty's strong technical position in competitive world markets and a very good track record.

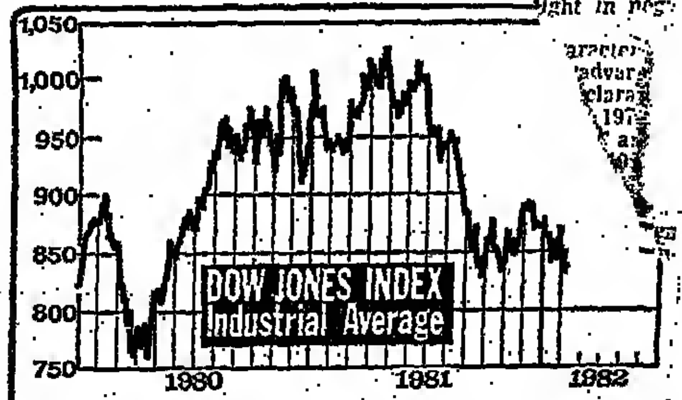
Wood Hall Trust

Last Monday Elders IXL, the Australian industrial and farming services group, launched a dawn raid on Wood Hall Trust, the UK group, offering 200p a share against an overnight price of 156p. By Wednesday Wood Hall had accepted a cash offer of 215p a share, valuing the company at £53.6m. This compares with Wood Hall's stated net worth of 183p a share.

Elder's chief executive, Mr John Elliott, has made it clear that his company needs to expand outside its Australian base in order to fulfil its growth targets. In fact the main point of the deal lies in Wood Hall's Austalian interests which made £9.5m pre-tax profits last year. It was UK losses that brought the total pre-tax figure down a depressed £4m.

Wood Hall's subsidi[illegible] Australian Mercantile Land Finance Company, has 1[illegible] cent of the Australian pa[illegible] market. Elder already h[illegible] per cent through one of i[illegible] subsidiaries. Elder is Aus[illegible] largest international tra[illegible]

Last year Wood Ha[illegible] businesses, involving [illegible] contracting, and estate [illegible] ment, lost almost £7m [illegible] Mr Elliott said he [illegible] looking very carefully [illegible] Hall's UK operations [illegible] Wood Hall is expec[illegible] cover to make ar[illegible] pre-tax this year. B[illegible] with which Wood H[illegible] Elder's offer sugg[illegible] price is a good [illegible]



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	570.5	− 7.6	597.3	446.0	Nervous about Wall Street
Aaronson Bros.	37	− 8	87	32	Poor annual results
Bougainville	66	− 9	112	64	Profits down 68% div. cut
Douglas (Robert M.)	75	− 8	87	56	Poor interim results
Erskine House	55	+11½	63	25	Large put through
FNFC	37	+ 3½	37½	19½	Bid speculation
Gold Mines of Kalgoorlie	270	−30	560	270	Profits fall/no interim div.
GKN	166	−20	188	127	Adverse comment
Heelamat	96	−21	117	86	Int. results disappoint
Imperial Group	87	+ 7	87½	52½	Annual results
Inter-City Investment	34½	+14	34½	9	Near 26% stake changes hands
M. L. Holdings	265	−40	350	215	Half-year results
News International	98	−10	133	85	"Times" closure threat
Pengkalen	320	−130	450	90	Fading bid hopes
Saga Holidays	171	+10	179	77	Buys Laker Air Travel
Standard Industrial	43	+ 7	130	27	Speculative buying/int. due soon
Trident TV A	89	+19	89	36	Hopes aboue casino licences
Western Mining	217	−21	335	215	Half-year profits down 80%
Westland	108	−14	154	80	Profits warning
Wood Hall Trust	215	+58	215	86	Bid from Elders

Before the tide starts to turn

MINING

KENNETH MARSTON

IS THERE, I wonder, a kind of grim satisfaction in mining markets at the moment as the remorseless tide of depressing company results flows on? Is there a feeling of "I told you so" mingled with the anticipation of bargains to be had as low share prices of high calibre companies reflect only a fraction of the value of good paid-for mines and installations?

At all events, there has been plenty of scope for such feelings this week. Australia's Western Mining, for instance, which is regarded as one of the world's finest mining investments for the long term has reported an 80 per cent fall to half-year net profits to A$6.51m (£3.55m) and this after a tax credit of A$5.11m.

Furthermore, the company has said that the continuing depressed demand for metals, notably nickel, coupled with high interest rates and increasing costs means that profitability is expected to remain at a low level in the second half of the financial year to end-June.

The shares have thus fallen to 217p from 238p this week and brokers Hoare Govett still regard them as fully valued for the time being. But they look for a good recovery in metal prices during the year to end-June 1983 and thus forecast an increase of 160 per cent in Western Mining's pre-tax profits for that period.

The U.S. Asarco giant—in which Australia's MIM Holdings has a stake of 16 per cent and plans to increase this to 21 per cent—has gone into the red in the final quarter of 1981. Helped by sizeable tax benefits, however, the U.S. mining and metals group has managed to show a profit for the full year of $50m (£27m) which goes against $237.3m in 1980.

Mr Charles F. Barber, the Asarco chairman, says that despite the recession the company is pressing on with its capital investment programme in new and modernised plant. Last year $163m was spent on capital improvements and the company has budgeted for a further $140m this year.

Although earnings are now minimal Asarco, like other U.S. companies, can continue to carry the high capital expenditure programme with the help given by last year's Economic Recovery Tax Act.

This legislation recognises the fact that tax credits arising from capital spending are not much use to a company which is paying little or no tax because of its low profits.

So the companies are allowed to operate a lease-back system whereby a mine and plant, say, are sold to another company and then are rented by the original owner.

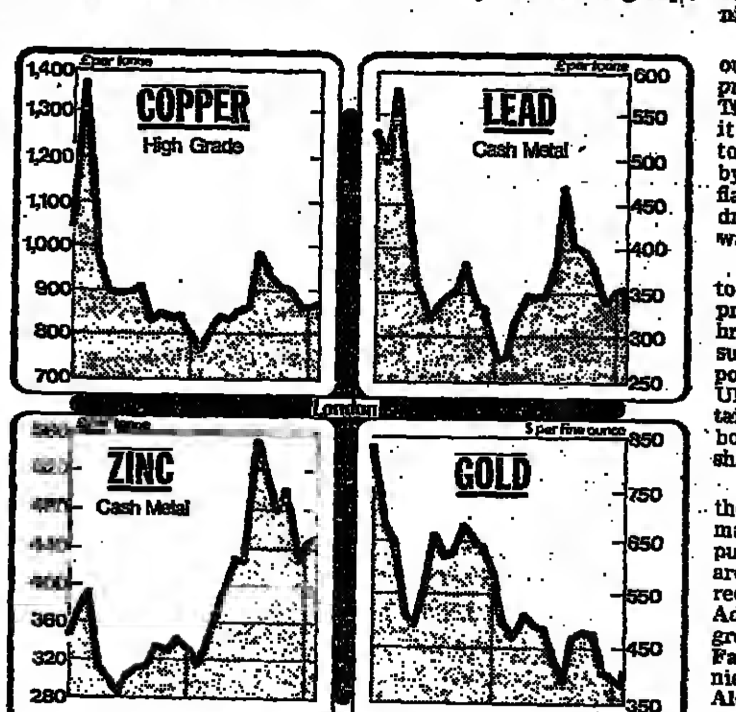
The sale is allowed to include the attaching tax credits which can be made use of by the more prosperous buying company. The seller benefits from the income received from the sale of the mine and plant—which it continues to operate—and the terms of the leasing arrangement provide for the mine and plant to be eventually returned to the seller for a nominal sum.

Two more of the Rio Tinto-Zinc group companies have announced results this week. The big Bougainville copper and gold mine in Papua New Guinea has reported a 68 per cent fall in 1981 earnings to K32.79m (£17.4m), a return on capital of only 3.9 per cent. And on the present showing the company does not expect any improvement this year.

Of course, a recovery in copper and gold prices would quickly change the picture. In the meantime, however, the results of the controlling company CRA are due next week and will be awaited with a fair degree of caution. However, it should be borne in mind that the share price at 160p compared with last year's high of 302p is discounting much of the worst.

Whether this can be said of the price of the ultimate parent, RTZ, is a moot point, but holders of this stock tend to take the longer term view and may well be proved right.

On the other hand a dividend yield of 5 per cent on a South African copper mine can hardly be justified at the moment and so RTZ's Palabora which gives such a return has been out of favour in the market this week following the rather more than halved profits and dividend for 1981.



On a more cheerful note, first half results from the Johannesburg Consolidated Investment South African mining and industrial group have made a creditable showing this week. Despite the fall in revenue from gold mining, net profits have held up reasonably well at R48.6m (£26.7m) compared with R53.1m a year ago.

A helpful factor has been good earnings from the coal interests which should continue to do well in the second half of the year to June 30. But the gold, diamond, platinum and industrial interests remain subdued and so the overall income will probably continue to decline. Even so, it should still be possible to maintain the 600 cents (329p) dividend total.

A good performance has been achieved by the Gencor group's UC Investments which draws the major part of its income from gold and platinum, the last via a holding in Impala Platinum. Thanks to a particularly good first half, UCI results for 1981 show a profit of R36m (£19.8m) compared with a record R37.6m earned in 1980.

The current year's outlook is less favourable in view of the lower gold prices and the difficult market conditions being encountered by the platinum producers. But UCI has raised its 1981 final dividend by 10 cents to 115 cents which makes a year's total of 160 cents against 150 cents for 1980.

What of the Canadian mining investment scene? The Burns Fry investment house has carried out a new study with the encouraging title "1982—The Year of the Rebound." It is considered that among the base metals zinc and copper will be the first to recover with aluminium and nickel following in 1983.

Gold is expected to bottom out this year with an average price of some $400 per ounce. The Canadian brokers say that it has the potential to rebound to at least its old high ($850) by 1984 "unless the war on inflation is won and inflation rates drop back to the average post-war levels."

The unsettling thought occurs to me that when base metal prices take off, they may well bring heavy inflationary pressure to bear on major metal importing countries such as the UK. This is one reason for maintaining an "insurance policy" holding of a few good-class gold shares in any mixed portfolio.

Burns Fry take the view that the current weakness of mining markets should be used to make purchases. The stocks favoured are: Gibraltar Mines for copper recovery, Noranda or Kerr Addison in the copper-zinc group, Cominco for zinc alone, Falconbridge and Inco for nickel recovery. They also like Alcan, Denison and Brinco.

Another investment house, Richardson Securities of Canada, reckons that prospects for earnings of the major metal mining stocks do not appear particularly attractive for the first half of the year but adds cautiously, "some upturn should be in evidence before the year end."

Stocks recommended include Cominco, Falconbridge Nickel, Inco, Rio Algom, Alcan and Noranda. But neither firm gives the impression that there is any need to rush into the market at the moment.

THE WEEK IN THE MARKETS—2

A touch of the Budget jitters

NEW YORK
DAVID LASCELLES

WALL STREET suffered from a bout of Budget shock this week—and will go on suffering from it, judging by the profound sense of scepticism — even despair — that shapes the outlook here at the moment.

The Reagan Administration unveiled its latest Budget plans last weekend and, as expected, they contained deficit projections for the next three years that vastly exceed the original estimations. This year's deficit, for instance, is projected at a record $97bn — nearly double the original $55bn target. The Administration's promise of a Budget surplus by 1984 meanwhile has been turned into a deficit of $83bn that year.

None of this was startlingly new. Somehow the sight of these huge figures on White House-headed note paper was enough to send new waves of dismay through Wall Street. The Stock Market opened with a steep fall on Monday morning, and by the end of the day had lost over 17 points, to close with the Dow only just above its lowest point in nearly two years — an ironic indictment of the supposely pro-business policies of Reaganomics.

The market's worries centre less on the figures themselves than on the sorry certainty that these deficits represent the very best the country can hope for. The Budget must run the gauntlet of Congress in the months ahead before it gets on the statute books, and Capitol Hill is in no mood to approve either the large spending cuts or big tax increases that will be needed to hold the deficit down.

Already, Wall Street has made its own calculations of what the deficits will be in the years ahead, and they range from 10 per cent to 50 per cent higher than the Administration's figures. The inescapable conclusion is that interest rates will remain high, stifling the economy and holding down corporate profits.

To be fair, not everyone subscribes to this doom-laden view. Some still hope that firm action by either the White House or Congress will ease the budget threat. Others believe the financial markets can cope with a high level of government borrowing so long as the private sector's demand for credit is dampened by recession. But their comments have the hollow ring of people trying hard to look on the bright side.

The only note of comfort was an announcement by Mr Paul Volcker, the Chairman of the Federal Reserve, that the Fed will ease up a bit in the first part of this year to allow the money supply to grow at a slightly faster rate than intended. This accounted for the Dow's six point jump on Wednesday. But for the rest, Mr Volcker's denounced the deficit as "a major hazard" which threatened to put monetary policy "on a collision course" with fiscal policy—strong words for a central banker.

Mr Volcker also voiced the growing feling on Wall Street that the economic recovery, when it comes, will be weaker than the Administration hopes, with only small growth this year, and continuing high unemployment. He was more encouraging about the prospects for inflation, though, predicting a lower rate than last year's 8.6 per cent.

But for the audacious, markets offer opportunities whatever is happening. U.S. companies are allowed to buy their own shares and with many trading at their lowest point in years, several have seized the chance to invest in their own equity.

Mobil and Gulf, two large oil companies who have suffered from the sell-off afflicting all oil stocks, announced buy-back plans. Gulf's chairman, Mr James Lee, noted that trading at 30, his company's stock was way below book value of $54, and that "we feel that these purchases represent an excellent investment for our continuing shareholders."

Mobil put up a similar case, adding that it might use its repurchased shares to finance future acquisitions. Mobil has been one of the most aggressive —but least successful—takeover bidders in the last 12 months. Other companies who announced share buy-back plans included *Owens Illinois*, The Container and Packaging Company, and Texaco.

The market also responded well to some bold action by companies to boost their performance. RCA, the huge conglomerate which is trying to shake out some ill-suited subsidiaries, announced drastic price reductions for its video-disc machines which "play" records for TV. It lopped $150 off the $500 sets, which haven't been selling well and have turned a $200m investment into a big headache for RCA. The news helped RCA to gain nearly a dollar to $20.

Singer, which gave its name to a whole industry, finally decided after months of dithering to shut down its biggest sewing machine plant located in Elizabeth, New Jersey. Although this signalled Singer's final retreat from industrial sewing machine production in the U.S., the market showed its appreciation by bidding Singer up nearly 2 to $14¼.

The stock market will be closed on Monday, Washington's birthday.

MONDAY	833.43—17.60
TUESDAY	830.57— 2.86
WEDNESDAY	836.66+ 6.09
THURSDAY	834.67— 1.99

Tread softly on CGT

TAXATION
DAVID WAINMAN

AN INDIVIDUAL'S capital gains tax exemption on his house seems as fragile as it is valuable. Unless he exercises great care in the way he uses the house concerned, the exemption may be lost or cut down.

As is so often the case with complex legislation, one can get a clearer understanding of the detailed rules if one first stands back, to survey the general context in which those rules are to operate. There are three general requirements for complete exemption.

First, the house concerned must be the individual's only residence, or if not he must be able to say that it is his principal one. We will need to revert to some of the implications at a later point in this article.

Secondly and thirdly, the house must be a dwelling house, and must be occupied as such. The law spells out these last two requirements quite clearly —and one would be tempted to say unnecessarily—were it not for the fact that it is in these areas that taxpayers most often find themselves misunderstanding what the law is designed to achieve.

Let us look first at the simple statement that the house must be a dwelling. If that is the thrust of the law, then the doctor who uses one third of his premises solely as his surgery will understand why that "exclusive" business use removes his exemption on one third of his capital gain.

What is much more difficult is to know just where the line should be drawn if the "business" use is not exclusive: and the line becomes even fuzzier where the activity is not itself one which the Tax Inspector insists should be treated as a trade carried on with a view to making taxable profits.

As an example of the business use of part of a house non-exclusive basis, one might take the owner who rolls back the living room carpet three mornings a week in order to teach ball-room dancing. At other times, with the carpet back in place, there is little doubt that the whole house is dwelt in.

The standard advice which the dancing instructor would be given is that in calculating his taxable earnings he should only claim to deduct the extra costs of heating, cleaning and so forth incurred as a result of his teaching, and should not, for instance, claim a proportion of his rates and insurance. Such a claim could give the Tax Inspector grounds for arguing (when and if the house was sold) that the taxpayer's business-use of part of it should have been recognised and admitted to have been exclusive —it being indisputable that expenditure is only deductible in arriving at trading profits if it has been expended "wholly and exclusively" for business purposes.

Use, non-exclusively, of part of a house for non-business purposes has already been mentioned as being an even more problematical area. The householder with a pair of budgerigars in the living room is not using their cage-space, or his house as a whole, in any unusual way: but if he has a thousand of them flying free around the house, and lives what remains of his own life substantially in one small corner, can one say that he is using the whole as a dwelling house?

With budgerigars, the health and planning authorities might merely raise their eyebrows. But what would they and the Tax Inspector think of a thousand polecats? Oddly enough there is no indication that Inspectors are frantically keen to pursue the potential tax charge on a sale of a house where the exemption had been partly withdrawn on such a basis. And the Englishman's home being the castle it is, one must conclude that there are few non-exclusive, non-business, uses to which it could be put which would in practice cut down his exemption.

When we turn from the basic question whether the house is a dwelling to the related one whether the taxpayer occupies it, the law gives us rather firmer guidance. There are specific rules, for instance, about the periods of absence which can be ignored before the taxpayer first moves in, thereafter if he is way from it working abroad, elsewhere in the UK, or for reasons other than work, and also between his finally moving out and selling it. The individual required by his employment to live in "job-related accommodation" will find legislation to protect his own house to which he intends to retire.

But we are still trying to stand back; not to examine these detailed rules which are set out in all the commentaries, but to see whether there is a unifying thread which draws them together. It has always seemed to me that that principle is the parliamentary draftsman's generous interpretation of the word "occupy."

The individual sent abroad for nine months by his company is not automatically treated as having ceased to occupy his house in the UK: that remains true even if he lets it on a short-term basis to a tenant who appreciates that he must evacuate on the owner's return. But the draftsman finds withdrawal of exemption for the UK house unavoidable if the employee acquires and occupies another house abroad during his secondment.

And this same logical thread can be seen to underlie the often misunderstood election by which the taxpayer with more than one house can choose which is his principal residence. What those in this happy position frequently overlook is that the law makes very clear that it is only the person who occupies both his houses as dwelling houses who is entitled to make a choice. The occasional weekend cottage just does not enter into consideration (if the tax inspector is thinking what he is doing).

UNIT TRUST AND INSURANCE OFFERS

FINANCE AND THE FAMILY

Assigning a life policy

BY OUR LEGAL STAFF

I have approached several life insurance companies with the view in the event of my death to assigning the proceeds of a policy to an unrelated third party. One says it cannot be done except by will and another said the same but later amended that it could be assigned to a bank or building society. Three said there was no problem, and the matter could be settled by a simple trust deed. However, one of these three said that a UK trustee was required and the other two, not. What, please, is the position?

It is necessary to distinguish between what you can do in terms of what the law will allow and what will have advantages such as under the Married Women's Property Act 1882. We think that you undoubtedly can assign a policy to someone who is not related to you and has no other nexus with you. If you wish to do this at a future date you have to use some appropriate machinery e.g. a declaration of trust (for yourself for life and then to x absolutely) or a contract (for consideration), or covenant, binding on your estate, to assign. This latter may have to be formulated in terms that specify a date or your earlier death if it is not to be attacked as an attempt to make a will without due formality: however the trust form is unexceptionable.

Builder and sub-contractor

Some four years ago a local builder carried out repair work to my roof. He employed a sub-contractor, but I paid the builder. Now the roof leaks and I have asked the builder to attend to it under the terms of the five-year guarantee which was issued at the time. The builder has attempted without success to contact the sub-contractor. The builder points out that it was the sub-contractor, not himself, who gave the guarantee. In the event that the sub-contractor does not honour his guarantee, have I any recourse against the builder?

If the work was not carried out properly you have recourse against the builder, but not if the sub-contractor complied fully with the specification in the main contract. Any claim against the builder should be pursued before the end of six years from the date of the contract.

Payments from ex-husband

I recently divorced and returned to live in England after an absence of many years. My ex-husband sends me a monthly sum from overseas, which, although mentioned in our divorce papers, is a voluntary contribution on his part. Shall I be expected to pay tax on this regular contribution? Also, on three occasions, he has sent me fairly substantial gifts of cash. Are these counted as taxable?

The monthly payments from your ex-husband are almost certainly assessable to income tax under case IV of schedule D. However, they are exempt from investment income surcharge, by virtue of section 15 of the Finance Act 1974 (as amended by section 21 of the Finance Act 1978).

The irregular lump sums are probably not caught by the UK income tax net.

It would be worth your while to seek local professional advice: the adviser will, of course, need to see all the relevant papers. We take it that you are domiciled in England and Wales, but this is a point upon which you might seek guidance at the same time.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Village green on common land

The ownership of my property includes a small area of "grass verge" to the edge of the road. My deeds and accompanying sketch divide the whole into "red" and "green" land, the "red" being conveyed with full freehold title. The "green" area is conveyed "with all the estate and interest of the vendor therein." Last February to prevent damage to the unfenced "green" land by vehicles and horses, I planted a tree and several rose bushes. I have now received a letter from the Parish Council asking me to remove them as "the land is registered in the ownership of the Council under Section 8(3) of the Commons Registration Act 1965 and is part of land comprised in Register unit no. VI; 15 in the Register maintained by the IoW County Council." However, the solicitor acting for me carried out searches under the Commons Registration Act and reported to me that this land was not registered as common land but it was registered as part of a village green. He stated categorically that the land was ours but subject to certain public rights. Please can you advise me: Whether you consider that I have the right to plant such items provided that public access is not prevented, (b) on the best way to counter the Council's attempt to make us remove the items and (c) whether you are aware of any case law covering the matter?

If the land is registered under Section 8 (3) of the 1965 Act it will be registered with the ownership vested in the Parish Council. You would therefore have no rights in the land at all. You should enquire of your solicitor whether his search did show that the Council was the owner—or that registration was under Section 8 (3)—in which case he has advised you incorrectly. If the search showed registration as a village green but not be vesting in the Council, you may have a claim against the County Council for the incorrect answer to the search. In any event you would not be entitled to plant on the land even if it were a village green vested in you. There is no point in seeking to counter the Parish Council's attitude so far as the law is concerned. You might try to persuade the Council to revise its attitude.

Legacies to minors

I refer to your reply under Legacies to minors (January 2), in which you advised an executor to set aside a fund to pay legacies to minors until they attain majority, or pay the money into court. Does not Section 42 of the Administration of Estates Act 1925 still apply whereby Trustees (usually the parents) of absolute legacies to minors may be credited to whom such legacies to minors may be paid?

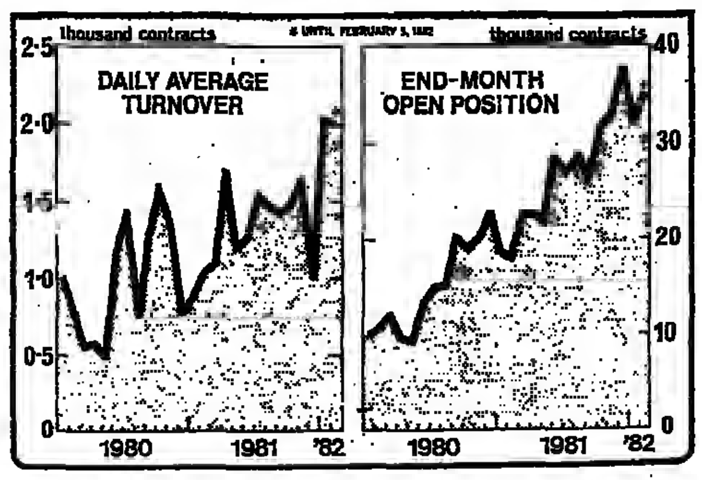
It is still possible to set up a trust under Section 42 of the Administration of Estates Act 1925, as you suggest. However that will only transfer the problem from the executors to the new trustees: as the minors still cannot give a good receipt. It does however enable the estate to be fully administered without waiting for the legatees to attain their majority.

YOUR SAVINGS AND INVESTMENTS—1

Barry Riley reports on the progress of the traded options market where the outlook remains optimistic

More players still wanted

DEALERS in the London Traded Options market have been looking a little chirpier of late. In the first five weeks of the year volume stayed at an encouragely high level—averaging over 2,000 contracts a day—and with volume hitting 3,557 contracts on Thursday this week the market's sponsors remain optimistic that the long struggle to achieve viability is showing clear signs of success.



At a volume of 2,000 contracts a day it is reckoned that the Stock Exchange—which takes a share of the clearing fees—is just about breaking even on the traded options market, for which it provides floor space and administrative services.

Some of the broking firms heavily involved in options are reckoned to he making modest profits on the business. It could he that volume is still not quite high enough to make option trading profitable for the jobbers, though it is not always easy te separate this business from their other activities. And in recent months, after all, several prominent firms of jobbers have found it impossible to make profits even from straight equity business.

Despite the recent improvement in volume, the efforts to attract more and more participants to the options market are continuing. The market is reckoned to be chronically short of the speculatively minded private investors who are the natural buyers of options to counter balance the institutions who are regarded as the natural writers.

The writer of an option is normally—though not always—an investor who holds the underlying share and is keen (in the case of a call option, for instance) to reduce the downside risk of holding it by selling an option for cash. The option is typically bought by an investor who is willing to accept a high risk in the bope of obtaining a bigh return. The traded options market therefore serves the purpose of shifting risk between different investors.

But at present the pricea of options are reckoned to be unduly low, because of the dearth of buyers. The effect is to make writing options less attractive. Despite this the recent level of volume has been quite high, which probably reflects the high degree of nervousness amongst institutional investors about the ability of the equity market to hold its relatively high current level.

To improve the popularity uf the market the Stock Exchange is continuing its campaign to educate the investing public. Thus it is maintaining a programme of seminars — one is heing held in London next Tuesday, with another in Bristol hefore the end of the month — and several video presentations have been produced. The 100,000 initial print of the Stock Exchange's traded options booklet has heen exhausted, and more are being produced.

Looking back at the near four-year history of the traded options market David Steen, of jobbers Pinchin Denny, and a member of the Stock Exchange Council, admits that the learning curve bas been slower than many imagined at the beginning. But he adds: The fruits of the work we have been doing are beginning to ripen."

Thus the Stock Exchange's Traded Options Evenings are usually oversubscribed, and business in promising centres of private investment such as Jersey and the Isle of Man is expected to expand once the Stock Exchange's TOPIC electronic information system reaches such offshore havens.

On the institutional side the task now is to get the pension funds more involved. Although the tax prohlems which once inhihited them have been mostly resolved, they remain shy of the traded options market, leaving it to the insurance companies and, tn some extent, the investment trusts.

As for private clients, David Steen admits that too many hurned their fingers back in 1979 when the traded options market boomed in a brief spell of pre-election glory. It is taking a long time to woo investors back.

All the same, the number of hrokers active in the market is rising. Last September eight broking firms accounted for 60 per cent of the open interest, a figure which has now dropped to about 45 per cent reflecting the broader participation in the market.

The number of classes of uptions is steadily being increased to broaden the attraction of the market. A "put" option in Barclays Bank was recently introduced, for example, and in due course the "put" classes will he as numerous as the calls—though they are only 12 against 18 at present.

But according to one leading hroker in the market, the small number of underlying equities in which options are traded is still a seriously inhibiting factor. The Stock Exchange is moving only slowly here: the next step could he the introduction of an engineering share, prohahly Hawker Siddeley or Guest Keen.

Meanwhile the *relatively* small scale of activity is inevitably a limiting factor. One private client broker bitterly complains of the lack of volume and predictability in the market.

At present his firm are not encouraging people to use the traded options market because they are not confident of their ability to deal. But in principle, he says, "it is a lovely market."

A continuing facelift

ROSEMARY BURR looks at the problems of the Drayton Montagu investment trust


Mr David Stevens

SINCE Robert Fleming and Touche Remnant, two of the largest investment trust groups, announced last December plans to revamp their trusts, industry watchers have been huzzing with rumours of more change. One candidate for reappraisal is Drayton Montagu, which has trusts worth around £450m under management. Drayton Montagu is part of Samuel Montagu, the merchant banking group, which in turn is owned by Midland Bank.

Mr David Stevens, chairman and managing director of Drayton Montagu Portfolio Management, dismisses the suggestion of any wholesale reorganisation of the group's 13 trusts. But he admits there is some fine tuning going on and an attempt in some of the poorer performing trusts to map out a more definite investment strategy. The whole process is heing undertaken in a rather low key manner, true to City tradition.

The group has come under attack in the past for the dismal performance of its three largest trusts, Drayton Commercial, Drayton Premier and Drayton Consolidated. In addition, the share portfolio of these three trusts has been criticised for its remarkable similarity in the past few years. Another bone of contention has been the sizeable crossholdings between the investment trusts.

David Stevens accepts some of these criticisms hut is at pains to show that the group has some successes to its name in two top performing North American trusts and one high-flying Far East trust. In terms of assets, however, these trusts are dwarfed by the bumbling trio of Commercial, Consolidated and Premier.

So why have the trio sunk to the bottom of the performance tables? Well, Stevens points out the trusts "had quite a lot of money in mining, natural resources and oil stocks. We did not get out of these quick enough."

The past 15 months have seen an internal reappraisal of these trusts. Shareholders in Drayton Premier, which include the National Coal Board Staff Superannuation Scheme and Royal Insurance, were given the chance for greater specialisation and turned it down. The discount on Premier's shares improved from 34 per cent to 22 per cent over the year to December 31, 1980. In line with many investment trusts Premier's shares have risen over the past few weeks, and the discount is currently around 24 per cent.

Drayton Consolidated's board also had discussions about choosing a more specialised strategy back in September 1980. The fruit of these talks was the decision to increase the trust's exposure to special situations, such as recovery prospects and smaller companies, both listed and unlisted in the UK and overseas. By September 30, 1981 such investments exceeded 10 per cent of the portfolio and this percentage is being increased. The proportion of unlisted companies in the portfolio has risen to 7.5 per cent from 4.5 per cent and is likely to go on rising.

Drayton says large shareholders were aware of the change, which has been emphasised in the relevant report and accounts. The change was never formally put to shareholders.

The discount on Drayton Consolidated shares has narrowed since September, when it stood at 34 per cent. This week the discount had fallen to 21 per cent as the shares rose to 191p—a high for the year.

As for Drayton Commercial, it too has taken *the first steps* along a new route. In December 1980, the company revealed in its annual report of its intention "to increase the overseas content of the company's portfolio over the medium-term from the current level of approximately 35 per cent to over 50 per cent with the increased investment being largely directed towards the North American market." It seems logical that this policy of investing overseas will be continued.

Drayton Montagu contrasts with many investment trust groups in the emphasis it places on the Far East. As a director, Alexander Reid, says, "we have double the average weighting of the average trust placed in Japan, and half to two-thirds the average in the U.S. We still think this is appropriate."

The group is proud of its record of Japanese trusts and funds. It has four people in London researching Japan and each one spends two months a year visiting the Far East. Drayton is very bullish on the Tokyo market which it describes as "the most defensive major equity market in the world."

Mr Ian Henderson, a director of London and Manchester Assurance, which has disclosable holdings of preference shares in Drayton Premier, Drayton Commercial and Crayton Consolidated, has not been too happy about the performance of the stable's general trusts. "In my personal view the general trusts have been unsatisfactory but the group does have expertise in the Far East, particularly Japan."

How would Stevens respond to critics who argue the group has not moved quickly enough into greener pastures? Basically he says it is easy to criticise from the back seat but is optimistic that "as the policy develops, the performance of the funds will diverge and they will be more and more divergent." There might even be a tidy solution to that thorny problem of cross-shareholdings, which would go a long way to quietening the group's critics.

Drayton Montagu feels its piecemeal approach to its major trusts' identity problem has paid dividends, since it has avoided a head-on clash with institutional shareholders of the sort currently facing *Fleming.* But the group still has some way to go in rebuilding the credibility of its three large unit trusts, which should be its *flagships.* Further fine tuning may be necessary.

Trust	Net assets £m	Net asset per share p	Return over 5 years*	Share price 12/2/82 p
Drayton Far East	14	85	197	78
Montagu Boston	7	69	110	58
British Industries & General	9	180	164	151
Colonial Securities	11	71	161	68
English & International	17	158	173	128
City & Foreign	4	91	128	90
Drayton Consolidated	85	243	155	191
Drayton Premier	97	307	151	232
Drayton Commercial	61	222	165	172

* Total return on net asset value over five years up to December 31, 1981 using 100 as a base:

Source: Investment Trust Association based on closing prices as at 18/1/1982

Don't be yesterday's investor

LAST YEAR'S glittering investment opportunity may be the worst bome for your money today. In a world where currencies fluctuate violently and interest rates move frequently, inertia can be expensive.

Over £300m is invested in British Savings Bonds offering a net return of 6.65 per cent after basic tax. Even the Department of National Savings says "this is not a very competitive rate."

British savings bonds were withdrawn from sale in December 1979. Holders of the bonds continue to get interest payments until maturity when they will receive a tax free interest bonus. The interest throughout the life of the bond is paid gross but is subject to income tax.

The most recent figures, available for December 31 1981 show that £314m was invested in British savings bonds. There are 530,000 separate holdings and the Department of National Savings says that taking into account multiple holdings, the actual number of investors "is well into six figures."

There are three issues outstanding:

- 9½ per cent First issue. 56,000 holdings with a total value of £22m.
- 8½ per cent Jubilee issue. 274,000 holdings with a total value of £174m.
- 9½ per cent Second issue. 200,000 holdings with a total value of £118m.

The 9½ per cent First issue has a terminal bonus of 3 per cent while the other two issues have 4 per cent bonuses. Once a bond matures, no further interest is paid. The bolder is notified that the issue has matured, and must then apply for repayment. The department says all too often people leave the money not earning interest.

All the 9½ per cent First issue matured during January, so anyone holding this stock should make sure they have applied for the redemption payment.

Fifteen thousand holders of £5.25m worth of the 8½ per cent Jubilee bonds issued between December 16 1976 and June 15 1977 should find a letter on their doorstep today informing them the bonds will be repaid on June 15 1982. Investors will receive 104 per cent of their capital. Anyone who does not get a letter together with an application form for repayment should write and ask for one.

Other holders should look carefully at the higher rates of interest being offered elsewhere and see whether it is worth hanging on for the 4 per cent tax bonus on maturity. The department of National Savings says "if you've got a bolding within two years or more to run then it's common sense to suggest you would be better off elsewhere." The bonds mature at different dates up to August 1985.

In general, interest is paid up to the date of encashment. One month's notice in writing is required before cashing bonds. Anyone wishing to cash in their bonds or get a repayment form should write to the Bonds and Stock Office, Marton, Blackpool, FY39YP.

Rosemary Burr

YOUR SAVINGS AND INVESTMENTS—2

Rosemary Burr reports on a £12m-a-year problem for the banks

Fighting the plastic rip-off

SIXTEEN MILLION small pieces of plastic are costing the British clearing banks about £12m a year. The culprits are cheque guarantee cards. So concerned have the banks become at the size of the losses that changes in the cards' design has become a priority.

A joint working party set up by the clearing banks on the subject has come up with a series of recommendations which have not been made public. These are believed to include altering the design of the card, and limiting the card's use to the U.K.

The banks are fairly cagey about the whole thing. However, it looks as if some decisioo on what to do about the guarantee cards will emerge in a few weeks time. The losses are largely the result of people stealing chequehooks and guarantee cards—then having a field day writing cheques. In addition, some of the losses are simply bad debts, when the customer is unalbe to settle the cheques written.

The banks' concern is not new. Heavy losses have been the main factor preventing the clearers from increasing the amount per cheque which can be guaranteed. In spite of inflation, this amount has remained at £50 per cheque since August 1977.

National Westminster customers are being encouraged to have chequebooks with only 25 cheques instead of the larger ones with 50 cheques each. But it is still possible in certain circumstances to get the bigger chequebooks.

The main trouble with cheque guarantee cards is that it is very easy for someone who has stolen the card and chequebook to alter the signature on the card. The banks are now looking at ways to avoid this.

Another means of increasing the security of cheque cards would be to insist on the card holder's photograph, Mr Terry Hollis, assistant general manager of Midland Bank and chairman of the banks working party on cheque cards, thinks this option is less attractive than changing the strip on the back of the card to make it more difficult to tamper with the signature.

"The problem is the sheer logistics of getting the photos," he says. "There also might be some problem of customer reaction, although people are now more used to having photos on cards."

Some bankers feel retailers ought to he encouraged to police the system more actively. It is difficult to see how this could be achieved, but one idea would be some sort of inceotive scheme for sales staff who apotted forged signatures.

The 16m or so cheque guarantee cards in issue are uniform in format, so any change is likely to apply to them all. However, the banks individually are also looking at ways to stop the losses overseas.

There are two main options. The first would he to issue a separate cheque guarantee card to be used outside the UK. This would he inconvenient for customers. The second would be to issue Eurocheques which could be used abroad. These would have a two-fold advantage to the customer.

Cheques could be written directly in local currency and used in shops and banks and each cheque could be written for the equivalent of £75, since that is a standard European figure.

At least one of the hig four clearers has been rumoured to be on the point of introducing Eurocheqnes fnr some time. The losses from cheque guarantee cards may nudge it into doing so. Once one bank has made the move, it will he pretty difficult for the nthers not to follow suit.

Meanwhile each week 65m cheques are written, so the potential for fraud is enormous. Making millions of new high security pieces of plastic will be quite expensive but it's an investment the banks cannot afford to delay.

Televised death wish

IT IS NO LONGER a novelty for life companies to advertise on television. This week, viewers are being urged by the Prudential not tn rely solely on the State for their pension, while the Pearl is offering tbe opportunity to save through its unit-linked life schemes.

The Pearl has adopted a new approach in putting its message across. The advertisement in the Thames TV area has two commercials. The first shows two men playing snooker, with one discussing the latest Pearl booklet with the other. The second switches to their wives drinking coffee in the kitchen with one women giving exactly the same message to the other as did their husbands.

The Pearl claims that this is the first direct appeal by a life company to women as savers. It certainly reflects the growing change in social patterns in the country.

More women now have their own money available for saving and the Pearl hope to bring their attention to the opportunities beyond the banks or building societies. Secondly, more couples are makiog joint decisions over the family savings. A growing number of savings contracts are in joint names of husband and wife.

If the contract is in joint names, then the return on savings can be made higher if payment of the guaranteed death benefit is delayed until both partners are dead. **E S.**

Making the banks tell

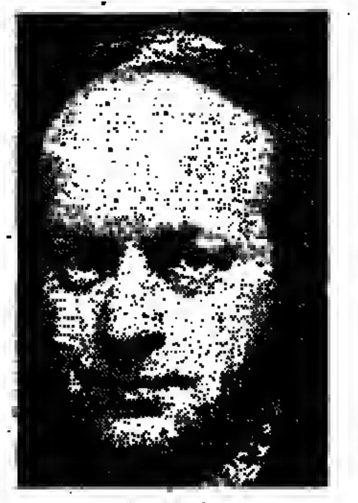
IF YOU think quangos only serve to feather the nests of their officials, then Jeremy Mitchell hopes to prove you wrong. For Mr Mitchell is at the helm of a seven-year-old quango, the Natinnal Consumer Council.

This week the Government asked the NCC to delve into the vagaries of personal banking. The request follows a recommendation from the Office of Fair Trading about the need for an inquiry into personal banking services.

Most nf the NCC's time is spent researching consumer's views on subjects the council chooses. The council also acts as a lobby group and bas recently done the back-up work to support a House of Lord's Private Member Bill, which if passed would remove all restrictions on shops' opening hours.

Bank charges for cashing cheques, opening hours, mortgages, advertising and automated payments are on Mitchell's shopping list. Mitchell is very excited about the investigation—"it is the first ever comprehensive look at banks from the consumer point of view," he says.

The NCC took a look at personal credit last year, which conclnded that some consumers find banks forbidding places. Mitchell is particularly keen nn commnnication, especially in the case of hank charges. "As an ordinary consumer I see bank charges on my statement but there is no explanation abont how they were assessed. I've never understood why banks couldn't give an account of bow the charges were reached on the bottom of the atatement."



Mr Jeremy Mitchell

He also thinks banks should communicate more directly with their customers rather than through the Press. Once he had to pay bank charges and rang his manager to find out why. The reply was that his his balance had fallen beneath £100—but Mitchell said he was unaware the amount he had to keep in his account to qualify for free banking had been increased. On being asked when he had been informed of this change, his manager replied to the effect it had been mentioned in the Press.

Mitchell says he is going into the investigation with an open mind and his recommendations will be based on a survey of consumer opinion. "We will be looking at bank hours. About half the people in this country don't have bank accounts and the bours may bave something to do with it," be adds.

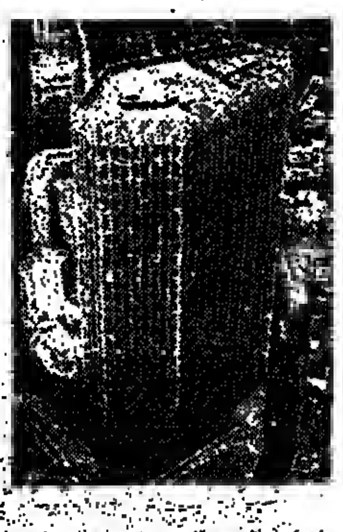
Mitchell also thinks the banks might be selling themselves short. "I can't remember the time I got a leaflet on one of their services," he says. "Yet they have got a golden opportunity to reach their customers whenever they send their bank statements. It's a direct mail shot."

NCC will probably take abont a year to draw up a series of recommendatinns. It has no formal power to enforce these. Mitchell says: "I would expect there will be some direct recommendations for the banks. Whether we will also suggest legislation is too early to say. It would be up tn us to convince the government."

Meanwhile Mitchell says he cannot get involved in individual complaints. "I can't take up individual cases. If someone cannot get satisfactory answers from their bank, they should go to the Citizens Advice Bureau."

R.B.

1982 . . . the year to buy British



UNIT TRUSTS investing in overseas equity markets bave taken the limelight over the past two years, with a steady stream of new trusts coming on the market. Managers have been singing the praises of the Japanese, U.S. and Australian markets — and the UK funds have been pusbed intn the background by all this glamour.

But some unit trusts groups now feel that UK funds will make a comeback in 1982. This is tbe main theme of the latest bulletin from Dudley Howard of HK Unit Trust Managers — the unit trust arm of the Hong Kong and Shanghai Bank — and it is echoed by other managers.

This may be more than a mere marketing exercise. The UK market is putting up a good performance at present compared with the rest of the world —as can already be seen in the unit trust performance tables issued by Planned Savings for the first month of this year. The top slots over this very sbort period are taken almost exclusively by recovery funds, smaller company funds and high income funds based on UK equities.

Keith Percy, of stockbrokers Phillips and Drew, sets out the favourable factors for set UK share prices in the first half of 1982.

First, his view is that company profits will definitely recover in 1982, with inflation rates being at least beld steady. Dividends should benefit with some partial restoration of last year's cnts in many cases.

Share prices should also benefit from the decline in UK interest rates wbich he expects in the first half of this year, though at present eqnities look dear against gilts. He confidently expects the FT-Actuaries Allshare index to go thrnugh its alltime high level of 338.64 reached laat August hefore mid-year.

This general view is expressed by unit trust investment managers though their views nn the extent of the bull market tend to vary. Mark St. Giles of Allied Hambro feels that the larger blue chip stocks will have a good year, bnt the best performance will come from the recovery and smaller companies funds.

Dick Eats of Chieftain is lookfng fnr capital growth from the "busted" blue chips returning to favour. He feels that the recovery in the larger companies will then later run through to the smaller companies.

In addition managers bope that income distributions will resume their upward trend after two stagnant years—good news for those investors who bought high income funds for their income growth potential.

However, investors should not concentrate solely nn the favourable prospects of the UK market. There is a feeling that there is still plenty of steam left in various overseas markets.

This was illustrated this week when Allied Hambro launched its American Special Situations Fund, the first launch by the group since it was taken over hy Hambro Life last year.

Eric Short

Planning for life

THE MAJOR edvertising campaign of the British Insurance Brokers Association tn promote the virtnes of registered insurance brokers enters a crucial phase on Monday with the launch of "Life and Pensinns Week."

So far the campaign has dealt with personal insurance aspects of brokers and how they can help the public with their house and motor insurance needs. Now it is also moving intn the broader field of general financial planning. Life assurance is one of the major medium- and long-term savings institutions in the UK.

The life broker these days does much more than simply arrange protectinn for his client. The main emphasis now on savings, with unit-linked life assurance capturing a greater slice of the savings market each year from the conventional with-profit endowment. The life broker is being called upon to give high powered investment advice more than to discuss life cover. And here lies the flaw in the registration procedure for life brokers.

Under the guidelines laid down by the 1977 Insurance Brokers (Registration) Act, the broker must show the necessary level of expertise. The tests concentrate on the broking aspects, but ask for very little proof of investment expertise.

The major insurance broking firms bave appointed in-house investment experts tn provide the guidance neded for brokers dealing with the public. Thia is an acknowledgement that brokers in their normal training lack the necessary investment experience.

Comparatively few life intermediaries have registered their husinesses, although most have registered as individuals. The public in some towns may find it a registered broker. The usual operators in the high street have changed their title to "insurance consultants" or "insurance adviser." BIBA is drawing up a list of members dealing in life husiness—and that list needs tobe published as soon as possible.

Finally, the leaflet issued next week—"What Can Life Assurance Do for You"—has a significant omission. No mention is made of the commission received by brokers for selling life assurance. Many life companies have left or have never even joined the Life Offices Association because they pay bigher rates of commission than the LOA scale. These companies claim that many registered brokers deal with them.

The leaflet does explain that under the registration procedure it is the duty of a broker to put his client's interests first. But it dnes not tell the public that the broker must disclose the commission received on a contract if asked, neither does it explain the very useful complaints procedure.

E.S.

New ways to boost sales

BY JUNE FIELD

WHILE IT could be, and indeed has been said, that builders' incentives can distort values on the property market, there is a certain amount of style in part-exchanging a semi-detached in the chilly reaches of Bishop's Stortford, Hertfordshire, for a house in the sun-drenched Simi Valley, California. (Recently Mr Ralph Stow, managing director Cheltenham and Gloucester Building Society warned that the value of any mortgage interest discounts should be taken into account when valuing a property for resale).

What is claimed as the first transatlantic house exchange between Luton and Los Angeles is the achievement of Mr Keith Blanch, now an engineering manager for an aerospace firm in the San Fernando Valley. After nearly a year in rented accommodation in California, Mr Blanch and his wife Sheila finally sold their home in Britain to Barratt Luton for around £33,725 (£$65,426), putting the money towards a $112,000 (£58,220), house at Barratt's U.S. development, Orangewood, just north-west of Beverley Hills, about 25 miles from downtown Los Angeles. The balance of the money was raised through a Bank of America loan. The Blanch's are due to move into their American dream on Monday, their old home "sold on" by Barratt's within a month.

What does £50,000 or so buy in the sunshine State? A house on its own plot with three bedrooms, two bathrooms, fully-equipped kitchen, central heating, air conditioning, carpets throughout, an enclosed atrium (courtyard), and patio, says the company, whose current promotion invites one, in effect, to swap your bit of British suburbia for something in San Francisco, another desirable Californian location where Barratt now operate.

"This is the land of opportunity," declares Mr Dale Stuard, president of Barratt American Incorporated. "And we are going to prove it." The company's other operating divisions in California are in Sacramento, San Jose, Los Angeles, Irvine and San Diego.

In Britain, sale inducements in the private sector are on the increase. This week, two insurance-based sales aids aimed at both buyer and seller were launched by Lloyd's broker Watts Watts. One scheme, the Home Guarantee Plan, offers a year's cover for £60 on all appliances and equipment, whatever their age, provided that when you buy they are in good working order. So if, for instance, after you have taken possession, the oven packs up in mid-roast, the refrigerator motor fails, the gas fire goes cold on you, the central heating radiators leak, you can get them repaired or even replaced. The maximum cash under each of the three categories is £1,000 and the first £25 of each claim is excluded.

Even more pertinent is the Last Minute Hitch Insurance, designed to cover the cost of surveyors, solicitors and building society fees that still have to be paid even if the vendor withdraws from the sale before contracts are exchanged. The premium of £36 also covers the possibility of the seller not being able to complete on the agreed date. For example, you could be left with nowhere to stay if the buyers of your own house have already moved in, so there is a daily accommodation allowance for this contingency, together with title cover if anything comes to light within two years after completion that might affect the use of your home.

"Both policies reflect the advance being made in homes marketing in the 1980s. It is no longer good enough just to provide details of a home and put people in touch with each other. Estate agents are having to find new ways of reassuring people about what is probably the biggest money transaction of their lives," says Mr Michael Hands, director of Watts, who originally devised the schemes for Andrews and Partners, estate agents with some 40 branches across the south of England, stretching from Bristol and Bath to Southend and Chelmsford, Worthing and Hastings.

Andrews introduced its own-brand version of the schemes on test last month, and according to the company's marketing director, Mr Ray Spencer, they have produced considerable interest and are helping house sales. "Now we will begin marketing these schemes in earnest to attract a bigger share of instructions and applicants, at a time when people are thinking of moving to take advantage of available mortgage money which might become tight again later in the year."

Watts Watts are also marketing the policies through a full-scale direct mail operation to other estate agents throughout the country. Their first mailing this week has already produced "tremendous interest," Mr Hands told me. Commission is, of course, paid to the estate agent.

In Yorkshire, Mr Peter McManus of Property World, who describe themselves as "a consortium of 270 estate agents from the Tyne to the Thames using the master organisation as a common banner," also operate an equipment protection scheme, on a slightly different basis, but the premium is higher, £95.

West Yorkshire agents Eddisons have just launched three incentives designed to move houses that have been hanging fire, similar to the benefits many developers are offering. Says managing associate Mr David Brear: "To build up confidence, some houses are being offered with insurance to meet mortgage repayments if the purchaser should be made redundant, during two years tahree months from completion, up to £2,000. The cost to the vendor is £28.

"To help purchasers with cash flow problems, some vendors have agreed to pay legal expenses up to a maximum of £500 on a £49,500 property, £200 on one at £17,500. Also available are houses where a lump sum payment will be made on completion, being the difference between mortgage repayments for one year at 13 per cent and 15 per cent."

In effect this means a discount of £365 on a £20,000 mortgage over 25 years, £182.40 on a £10,000 loan over a similar period. Again, the amounts are borne by the seller.

Properties on which these incentives are offered range from a two-bedroom terraced house in Guiseley at £17,500, to a detached four-bedroom home at Baildon at £49,500 including the carpets. While these special marketing schemes do not at present apply to the firm's seven other offices in the area, Eddisons Huddersfield has an 18th century house at Honley with a barn with planning permission for conversion into two dwellings, where part-exchange will be considered as part of the sales package at offers over £45,000. Part-exchange will also be considered on a four-bedroom former showhouse at £49,950.

● Details of home exchange from Barbara Murray, part-exchange controller, Barratt, 668 Hitchin Road, Luton, Bedfordshire. Insurance schemes for buyers and sellers: Mr R. Spencer, marketing director, Andrews and Partners, 22 Theobalds Road, London, WC1, estate agents inquiries to Mr M. Hands, Watts Watts Insurance, St Olaf House, London Bridge, London SE1. Equipment protection scheme: Mr P. McManus, Property World, 30 North Parade, Bradford, Yorkshire.

Marketing incentives: Mr D. Brear, Eddisons, 82 Otley Road, Guiseley, West Yorkshire, who will also send a free copy of their property guide, covering homes in Leeds, Bradford, Huddersfield, Halifax and Horsforth.

Particulars part-exchange properties in Huddersfield district: Mr Douglas Hoyle, residential partner, Eddisons, 4-6 High Street, Huddersfield HD1 2LS. U.S. property information: Mr D. Stuard, president, Barratt American Inc., 17752 Skypark Suite 180, Irvine, California 92715.

Weekend opening is an aid to sales say Pearsons, whose office at 27 London Street, Basingstoke, Hants. (0256 28775) is open on a Saturday 9-4.30, and on a Sunday 10-4.30. This four bedroom, two bathroom house in 1/3 acre overlooking the old village green at Sherfield on Loddon, Hampshire, is £67,500.

Way out West into the Bush

ALAN FORREST

WHEN I walked into the public library at Shepherd's Bush and discovered they do not take the Financial Times in the reading room, I realised what moving down market means. But such disasters apart, I can recommend it highly to anybody who wants to cling to inner-city living without having to exist on husks.

It was just about six months ago when, flushed with success at selling a desirable Chelsea flat at a handsome profit, we searched for a new home. We had fantasies about an unexpected snip around the Chelsea Embankment or a battered bargain in Little Venice, but it soon became obvious that £25,000 plus a substantial mortgage was not going to buy us even a crumbling bed-sitter at the tattier end of the Royal Borough.

But my wife and I are indomitable inner-city people. We had to solve it, somehow. "Why don't you try Shepherd's Bush?" somebody said. "Isn't that the suburbs?" my wife asked. Finally, friends who had made the move assured us they weredoing alright at the Bush—a few miles from Charing Cross with only the colourful language of Queen's Park Rangers' supporters to disturb their gracious living on alternate Saturdays.

We decided. For £36,000 (only £18,000 on mortgage leaving us a nice nest-egg for improvements) we bought a little Victorian terrace house (two up and two down, as they say in the north) with kitchen, bathroom and a splendid paved back garden with built-in honeysuckle bushes. The first week we moved in, my wife rang me at the office and said she was watching Coronation Street. "Jesus!" I said, "we live there, don't we?"

Actually, it's a very nice little house, and we're getting used to the district. It is virtually classless. One of my next-door neighbours is an up-and-coming young surveyor: the other a lovely black lady who works at the local hospital. And there was the day I went into my local pub to be told: "The colonel's dead." "What?" said I, "and the regiment blind with dust and smoke?" This didn't go down very well because my informant was tlaking about a real colonel who lived just round the corner.

Day by day the advantages disclosed themselves. At present I'm travelling to the office for 80p return on the Central Line (20 minutes on a baddish day). I've got no British Rail problems. We're within a short car drive of Kew Gardens and Richmond Park. We're 15 minutes from Harrods, and within walking distance of splendid Ravenscourt Park with its helath-food tea pavilion.

The shopping is splendid. Perhaps it isn't West End standard, but at least we can shop for essential foods until 11 pm, thanks to the locally based Asians who have revived the English corner shop.

Naturally there was a lot of building work to be done. We had the downstairs rooms knocked into one big open-plan space for a very reasonable £706 and have a friendly builder to do the rest of it. We paid for the initial work out of income, and have since borrowed £2,000 from the bank, and have been surprised how far it goes.

And for urgent repair work, Shepherd's Bush is a little paradise, all thanks to the Irish, who are everywhere. If you need a plumber in a hurry, try a few pubs, and by the third call you've usually found one who has half an hour to spare.

I am not just trying to plug Shepherd's Bush. I am simply telling home-hunters with a liking for town life and a limited bankroll not to ignore these old inner-city areas. Shepherd's Bush isn't Islington or Camden Town, yet, and it may never become as socially OK as those two areas. But it gives a resident a real sense of being in a community, and is better than a little box in the green belt at the end of a strikebound railway line.

Let me give you an example of a recent weekend I spent at home. On Saturday afternoon I went to tha Hammersmith Riverside Studios to a showing of Humphrey Jennings films. In the evening we went to the Hammersmith Lyric pantomime. On Sunday I watched Fulham play rugby. My total expenditure, including a kebab-type meal in Hammersmith, was less than £20. In Chelsea, I seldom got further than the pub/restaurant at tha end of the road—and it cost me more.

And we feel the best is yet to come. The other evening I was having a drink with a local estate agent. I told him about the house, and said timidly: "Mind you, we may never make too much money on it. People tell us there are too many blacks in the area."

"Don't you fret," he said. "You've got a desirable property in inner-London, and nothing's going to stop it going up. Would you like to sell it to me, ..."

هكذا من الأصل

Russia's rivals

BY LEONARD BARDEN

JOHN NUNN'S fine victory at Wijk last month makes him the man in form and the favourite for the West European zonal now in progress at Marbella, Spain. It also adds to the evidence showing that Britain's young players are poised to become major chess rivals to the Soviet Union.

An Anglo-Soviet battle for supremacy is already a regular feature of FIDE world championships, both individual and team, at junior and youth level. Stuart Conquest holds the world under-16 title while Nigel Short's 1981 world junior bronze medal followed his silver behind Kasparov of the USSR the previous year. In threa official world under-26 team championships England have won once, beating the Russians, and have twice finished second to the Soviet winners.

The generally recognised peak age for chess masters is between 27 and 32. Thus a player like Nunn, now 26, can expect to improve further. In current FIDE rankings only 11 players aged under 27 are rated at or above the traditional grandmaster level of 2,500. One, Ftacnik, is Czech; two, Seirawan and Christiansen, are American. Significantly, the other eight comprise four Russians (Kasparov, Dolmatov, Yusupov and Psakhis) and four English (Nunn, Miles, Speelman and Mestel).

On the other hand, Hungary and Yugoslavia, two countries which in post-war decades have been closest to the Russians, scarcely possess a young player between them who promises to reach the heights. At the 8-board European championships in 1980—a truer test than the four boards of the chess olympics—England already broke the Hungary/Yugoslavia monopoly of the silver and bronze medals and we would do better still now.

This spring will provide two stern tests of how far we are currently behind the USSR as a major chess power. England will meet the Russians in the semi-final of the World Telex Cup, provisionally on March 27 or April 3.

The Soviet team plays in Moscow, the English in London: and spectators should be able to watch an absorbing struggle. Then the great Phillips and Drew Kings tournament, staged in conjunction with the GLC, opens at County Hall, London on April 15, continuing until April 30. It will be category 14 on the FIDE scale, with an average rating of 2585, and thus the strongest event ever held in Britain.

Announced participants are Karpov, Spassky and Geller (USSR); Miles, Nunn, Short, Speelman and Mestel (England); Christiansen and Seirawan (U.S.); Andersson (Sweden); Ljubojevic (Yugoslavia); Portisch (Hungary); and Timman (Holland).

There will be a British record prize fund of £12,500. Advance spectator tickets are available from the tournament director, Stewart Reuben, 11 Haversham Close, Twickenham, Middlesex, and cost £3 for each day, with a 25 per cent reduction for seven or more tickets.

At the 1980 Phillips and Drew, Tony Miles shared first prize with Korchnoi and Andersson. Though Miles has lost his position as British number one to Nunn in recent months, he is still a fine competitor and may yet make his long-awaited break-through to the top dozen in the world. This week's game was played at Porz where Miles was runner-up to Tal.

White: A. J. Miles (England). Black: Dr H. Reefschlager (West Germany). Opening: French Defence (Porz 1981-82).

1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-QB3, B-N5; 4 N-K2, PxP; 5 P-QR3, BxN ch.

The alternative 5...B-K2; 6 NxP, N-QB3; 7 B-B4, N-B3; 8 Q-Q3, O-O; 9 O-O-O provides attacking chances for both sides.

6 NxB, N-QB3; 7 B-QN5, N-K2; 8 B-K3, O-O; 9 Q-Q2, P-QR3; 10 BxN, NxB; 11 O-O-O, P-B4; 12 B-N5, Q-K1; 13 P-B3, PxP.

Black leaves the book, and his game quickly deteriorates. Better is to return the pawn for counterplay by 13...P-N4; 14 PxP, N-R4.

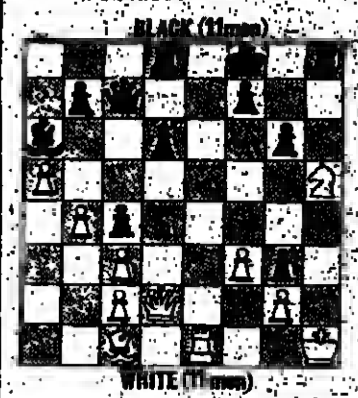
14 PxP, N-Q1? (too passive—he has to try P-K4); 15 KR-N1, P-B3; 16 R-N3, R-B2; 17 QR-N1, P-N4; 18 B-B6! Resigns.

If 18...RxB; 19 RxP ch, K-R1; 20 Q-N5 wins. But Miles was disappointed his opponent did not play out the attractive finish 18...R(1)-R2; 19 Q-R6, Q-B1; 20 B-K5, K-R1; 21 R-R3, Q-N1; 22 N-K2, P-B5; 23 RxP! RxR; 24 NxP, N-B2; 25 N-N6 mate.

CHESS PROBLEMS

POSITION No. 410

BLACK (11men)

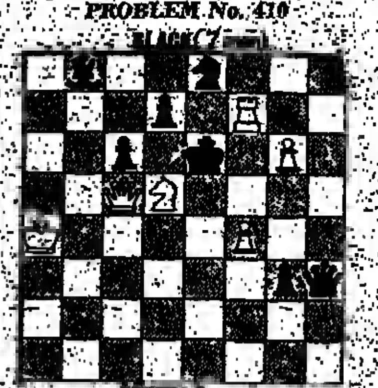


WHITE (11 men)

This diagram occurred in a West German tournament with White to move. He is already rook for knight down while his knight looks irretrievably lost. But when White analysed the position closely he could hardly believe his luck. How should the game go?

PROBLEM No. 410

BLACK (7 men)



WHITE (6 men)

White mates in two moves, against any defence (by J. Kupper, Neue Zuriche Zeitung 1975).

Solutions Page 12

Useless finesse

BY E. P. C. COTTER

TWO HANDS from recent sessions of rubber bridge show the declarer making plays which could not possibly gain. Let us first study *The Useless Finesse*:

N
♠ A 9 8 2
♡ 7 6
♦ A Q 9 5
♣ 7 5 4

W
♠ 4 3
♡ K J 8 2
♦ K 7 3
♣ Q J 10 8

E
♠ K 8
♡ 10 9 5 4 3
♦ 8 6 4
♣ K 9 2

S
♠ Q J 10 7 5
♡ A Q
♦ J 10 2
♣ A 6 3

With both sides vulnerable, South dealt and opened the bidding with one spade, and went to four spades after a double raise from his partner—a sequence which almost any pair would employ, whether expert or novice.

West led the club Queen, which was allowed to win—that was certainly correct—and the Knave which followed was taken by the Ace. The declarer now led the trump Queen and ran it, losing to the King. After cashing the club King, East returned a low heart, and the declarer finessed the Queen. West had the King, and that was one down.

The finesse of the heart Queen was absurd—it could not gain. Let us replay the hand together and reason things out. Before we touch a card from dummy, we assess our chances. If the trump finesse works, there is no problem; if it loses, it is clear that the contract depends upon a successful finesse in diamonds. If West holds the diamond King, we shall make four tricks in the suit, which will allow us to dispose of one loser. That should wake us up to the fact that there can be no point in trying the heart finesse, because we can throw the Queen on the fourth diamond.

To anyone who says that the heart finesse could gain, if it is right and the diamond finesse is wrong, because now the declarer goes just one down instead of two down, I can only say, Next case!

Now for an error which is always rearing its ugly head:

N
♠ Q J 5 2
♡ A K 7 5
♦ 9 3
♣ K 10 9

W
♠ 8
♡ Q 10 8 6 4 2
♦ K 5
♣ 8 6 3 2

E
♠ K 9 7
♡ 9
♦ A Q J 10 8 4
♣ Q J 5

S
♠ A 10 6 4 3
♡ J 3
♦ 7 6 2
♣ A 7 4

North dealt at a love score and bid one heart. When two four-card major suits are held, the heart is often preferred because it allows the partner to bid one spade with a hand of modest pretensions. This time, however, North had not considered his rebid—what was he going to say if his partner replied with two diamonds? But all was well, because East said two diamonds, and South said two spades. North raised to three spades, and South went four.

West led the diamond King. East overtook, cashed the Queen, and continued with the Knave. Although this was a winner, West ruffed with his eight of spades, which was an intelligent move. It could not cost, and it might possibly do some good.

The declarer overruffed with dummy's Knave, then led the Queen, East covered, and was now sure of a trump trick. As declarer had to lose a trick in clubs, he went down.

Instead of overruffing, South should have discarded a club from the table—and why not? It was a loser in any case. If trumps are divided 2-2 the finesse is right, South makes only ten tricks. In case the overruff does not ... but it does not gain either.

LEISURE

Romantic weekend retreats

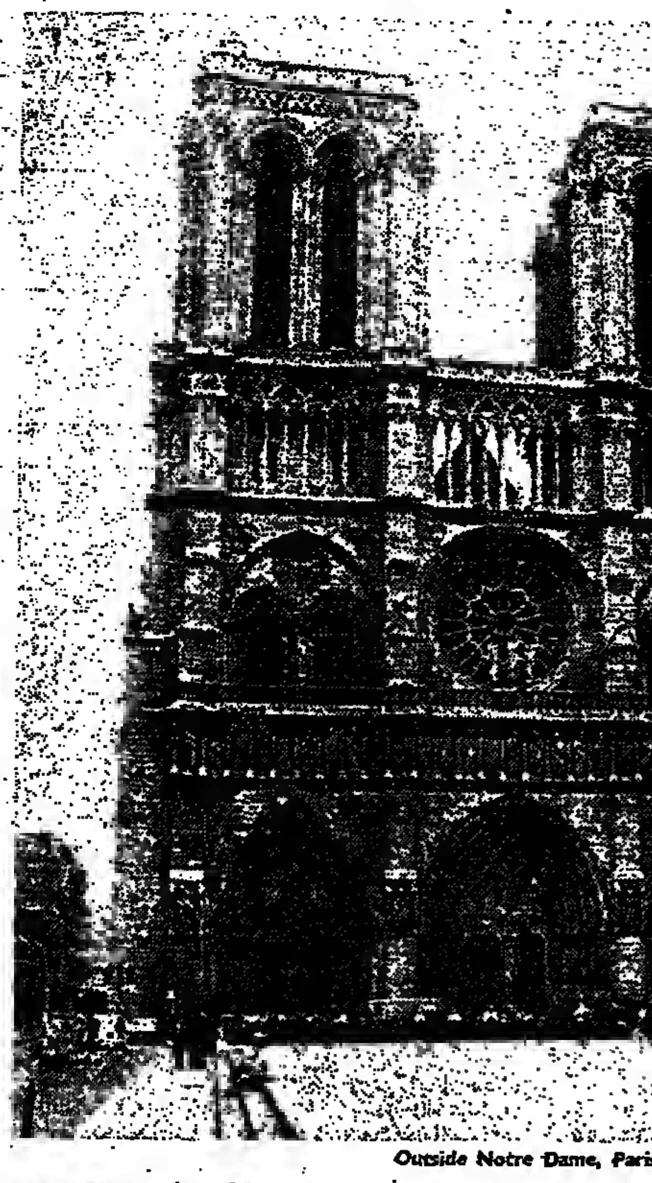
TRAVEL

ARTHUR SANDLES

FOR THOSE of us who have not received a Valentine's Day card, and at the time of writing I have no idea whether or not I am in that number, there can be *only one crumb of comfort*. Things could be worse. You might have received two.

If you did, then clearly you are one of life's romantics, living in a world where the stepping stones of joy form a precarious path over the waters of disaster.

Assuming that there has been a simple exchange of loving missives this weekend then I would urge you not to embark upon nostalgic memories. Such conversations only end in tears. It is the times we wish to forget that our loved ones tend to recall with vivid affection: "I knew I loved you when you fell off that horse into the ditch, you looked so silly and helpless." Or: "I was lost from that morning I called round and you were in curlers with cream on your spots."



Outside Notre Dame, Paris

Rarely is it that candlelit dinner when the souffle was ignored for 10 minutes of eye language.

Romance is, I suspect, something that is stumbled upon rather than constructed. Love flourishes over a dish of chicken Biryani or in a Blackpool B and B just as eagerly as it does over caviare and in honeymoon suites.

But settings can help. I recall a visit to Venice when, stepping from a much delayed aircraft we stumbled into a misty night surrounded by dozens of other tired passengers. But, while they struggled aboard buses or fought for taxis, we were gently steered to a waiting speedboat. We zipped over the waters through the fog. There was no chance to see the famed Venetian vistas. Here and there a light would briefly penetrate the gloom, and now and then a navigation pole would flash past.

After a while we chugged to a stop and cautiously climbed the steps into the haven of The Cipriani, one of the great romantic hotels of Europe.

It is an oasis set in an oasis. Those speedboats stand by to run visitors from the island of Guidecca on which it stands to St Mark's Square. With its flowers, its huge pool (the only such in Venice) and sybaritic atmosphere it is an alluring bolt hole from the city's summer heat and jostling crowds.

The presence of the boat at the Cipriani helped to confirm me in the view that for city romantic retreats the last thing you need is a car. Few relationships, even new and blossoming ones, can survive the mutual agonies of driving and navigating in a major city.

It is for that reason I would plump in Paris, for example, for being as near central as possible. It may be corny, but that irritatingly endearing city is still a great place for a bit of hand holding and people gazing. The Hotel Lancaster, the Savoy group's tiny Parisian secret, is tucked away in the Rue de Berri just off the top end of the Champs Elysees.

Given this setting it is remarkably quiet but not, you might have guessed, particularly cheap. There is a small garden and the whole place seems to have a relaxed country atmosphere even if you are only a hop and a skip from the bustle of the Champs. The Lancaster is part of what sadly may be the disappearing breed of small luxurious city retreats. A romantic hotel must surely be small enough for the staff to know their guests—if it is anonymity you want then seek the isolation of an airport motel.

It is for that reason that I would tend to plump for the Algonquin in New York, a quirkly little place with its own cat, literary traditions and reluctant lift. Not for the Algonquin the leafy solitude of a garden or any of that dewy-eyed nonsense. But it is a slice of old New York, lovingly run and engagingly staffed. Be warned: you, and your partner, need to be a touch idiosyncratic to get the most out of the place.

Astonishingly enough American hoteliers, so efficient at so many things, have not quite caught on to the lure of romance. Love to an American hoteller seems to demand heart-shaped baths, over-sized beds, candlelight, deep red tablecloths and pewter plates. You can, however, escape.

I first saw the Bee and Thistle Inn at Old Lyme, Connecticut, in the autumn. Brightly-hued New England leaves covered the lawns surrounding the clapboard building which was first used by a local judge in 1756. The log fires, crisp cotton flowered furnishings, dulcimer accompanied meals and mountainous breakfasts of home-cooked pastries helped it to carve a niche in my memory.

Since that first visit I have returned more than once, and never been disappointed.

There are no dulcimas at the Alexander Withrow House in Lexington, Virginia, but here again is a city centre place where you can dump the car and see things on foot. If you share my affection for small hotels, then this one is really small. It has only seven rooms, no bar, no restaurant and only a cosy little office as a reception area. But once you have your key you have a passport into a late 18th-century property with its own small courtyard and a large entrance hall giving access to those surprisingly comfortable rooms.

By no stretch of the imagination is the Alexander Withrow House luxurious, but it is a delightful retreat — and the coffee shop around the corner serves the most remarkable pastries.

It remains my belief, however, that the richest source of romantic getaways is Britain. In Europe they are relatively easy to find; in America they can be tracked down, but in Britain they abound.

There are two immediate sources of information for the determined romantic. The list of Commended Hotels and Restaurants produced by the British Tourist Authority (£1.75) which lists dozens of country properties that have been chosen as being something out of the ordinary, and the Good Hotel Guide, which will be published by the Consumers' Association on Monday, Price £7.50p.

Both give clues to the oak beams, the four poster beds, the cobbled streets and the miles of countryside that make up the British romantic retreat. I still like the dark claustrophobia of the Mermaid at Rye, whose thick walls were built to keep out the Channel gales; for more buccolic pleasures try the Island Hotel on Tresco in the Scillies—its quite an adventure getting there particularly in winter, but that only adds to the fun; or the Eastwell Manor in Kent where the baths are as near heartshaped as you'll find in Britain but the setting baronial sumptuous and discreet.

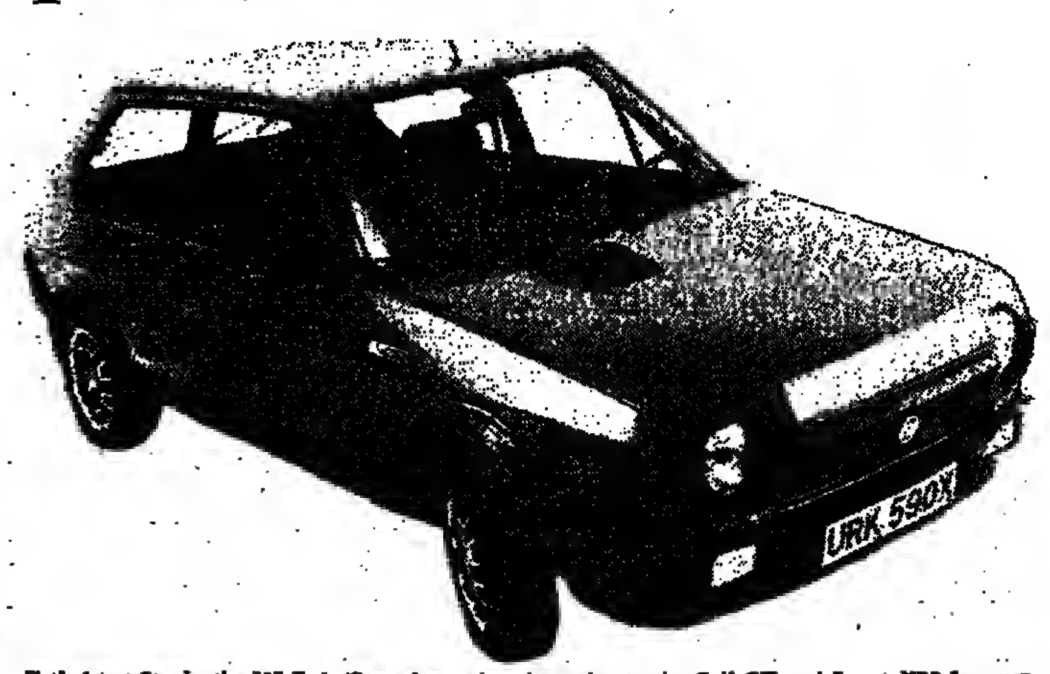
There are, of course, far more. Unfortunately I do not have time to list them—I have, after all, to write my Valentine Cards.

● More Information: The Hotel Lancaster, c/o Savoy Hotel, The Strand, London WC1. Hotel Representatives Inc., 15 New Bridge Street, London EC4. In the U.S. you might still find copies of *America's Wonderful Little Hotels and Inns*, edited by Barbara Crossette, published by Thomas Congdon Books, EP Dutton, 2 Park Avenue, New York New York 10016 U.S.A.

Pepped up Italian saloon

MOTORING

STUART MARSHALL



Fiat's latest Strada, the 105 Twin Cam. A sporting alternative to the Golf GTi and Escort XR3 for over £1,000 less money

THE OLD style sports car is almost dead but the sports saloon is very much alive. So much so that the market for pepped-up versions of family cars trebled in Europe between 1976 and 1980.

Even rival manufacturers privately concede that the one to beat at present is the Volkswagen Golf GTi, as sweet and swift a small/medium hatchback as any family man with sporting inclinations could wish for.

Perhaps its closest competitor is the Ford Escort XR3. At £6,246 it is a little cheaper than the VW Golf GTi (£6,475) and although it has a carburetter instead of fuel injection and a four-speed gearbox, not a five-speeder, its performance is almost identical. Both cars will exceed 110 mph, get from 0-60 mph in nine seconds or a fraction over and return about 27 mpg, driven for entertainment, not economy.

This week, another sporting family hatch came on the scene. Fiat deny that their Strada Twin Cam 105 is intended to be a Golf eater. That, they say, is the role of the Ritmo (Strada in the UK) Abarth, a two-litre, 125 bhp muscle car with a 118 mph maximum and 0-60 mph time of about 8.5 seconds. At present, it is not available in Britain.

But the Strada Twin Cam 105 is pitched at the potential Golf GTi and Escort XR3 buyer and argues its case on price as well as performance. At £5,195 it looks spectacularly cheap. It is not quite so fast, with a claimed 109 mph maximum and a 0-60 mph time of 10 seconds. Still, it is quick enough to see-off any other 4/5-seat car of its engine capacity or price and it looks as though it means business, too.

The Twin Cam 105 comes only as a three-door. It differs from the normal Strada in having a deep aerodynamic spoiler at the front and a little one at the back. The body extends over the 60 series Pirelli P6 tyre on their light alloy wheels, the body trim is in matt black and the windows are tinted.

It has a stylish interior. The supportive front seats slide forward and tip to make the rear seat easy to reach. Oil pressure gauge, coolant thermometer and voltmeter are centrally located, with speedometer and rev counter in front of the driver with all the warning lights. Switches, including the ignition lock, are lit through fibre optics. The steering wheel adjusts for height, there is a digital clock and inertia-reel seat belts for all occupants.

To cope with the engine's 105 bhp (compared with 65 to 85 bhp in the other Stradas) the transmission and brakes have been beefed-up and the suspension stiffened—but not enough to spoil ride comfort. When I tried the Strada 105 a few weeks ago I thought it rode as well as a Golf GTi and better than a Ford XR3. On a circuit, it might not be quite as fast as they are round bends but on the road it felt agile and well balanced, with quick steering response and as much cornering grip as one might responsibly exploit.

The Strada is ideally geared for performance. The engine is spinning at its 6,100 peak revolutions at the car's 109 mph maximum. At 100 mph (5,900 rpm) noise was not troublesome and the engine still felt smooth. The car's least appealing feature is the gearshift, which manages to be simultaneously rubbery and stiff, with an ill-defined gate. This is a family drawback. A Super Strada 85 I have just driven for 500 miles was even worse in this respect and had a disagreeably heavy clutch as well. VW, Renault and several Japanese makers can combine front-wheel drive with five-speed gearboxes that are a pleasure to use. It shouldn't be beyond Fiat's capabilities, either.

A diesel complaint

WHATEVER HAPPENED to the energy crisis and the need for fuel conservation? Only a few months ago we were being told to save petrol to stop the oil wells from running dry within the lifetime of today's motorists. Now we have oil company executives wringing their hands in despair because we won't buy more of the stuff even though they are spending millions of pounds subsidising cut prices at key sites.

One effect of the present glut and depressed prices in the spot market is that the economics of running a diesel car—as I still am—have changed for the worse.

Just before Christmas I was chortling because Derv was widely available for 10p a gallon less than four-star petrol — as it surely should be, for it carries 10p less excise duty. But this week I made a distress purchase of Derv at a local BP site at the rip-off price of £1.67 a gallon; their four star was £1.58. Later that day I filled up with Derv at the Elf station in the middle of Heathrow for £1.54, proving yet again that it really does pay to shop around.

But why should garages get away with charging more for a cheaper product? Would any oil company care to explain?

New plants from New Zealand

GARDENING

ARTHUR HELLYER

MANY VISITORS to garden centres and flower shows must have noticed the quite sudden increase in the number of New Zealand flaxes; or phormiums, on display. It is not simply that the total number of plants offered has increased in a quite spectacular manner but that there has been a corresponding increase in the number of *varieties available, providing* a much greater range of leaf colours and sizes than before.

Not so many years ago there were only three phormiums at all freely available, a species named *Phormium tenax* with long, stiffly upstanding green leaves and two varieties of it, one named Purpurea, or Atropurpurea in some lists, which is bronze rather than purple as its name suggests. The other was named variegatum, with leaves handsomely striped with cream. A few specialists could also supply *P. colensoi*, sometimes listed as *P. cookianum*, a plant with slightly broader, shorter, more flexible leaves averaging 5 feet in length against the 7 to 9 feet of *P. tenax*.

Some of the new varieties are forms of *Phormium tenax* and some of *P. colensoi* and they have arrived so fast that it has been difficult to keep pace with them and assess just how valuable they are. Certainly they extend selection in a quite remarkable way for some of the newcomers do have leaves that can truthfully be described as purple, or even red, and some make quite small plants even when full grown.

One, named Dazzler, is at certain seasons almost wholly beetroot red. Sundowner combines dusky olive green with carmine and cream and Bronze Baby is coppery bronze and quite small, the leaves no more than 2 feet long. Then came Thumbelina, the smallest of the lot, a mere foot high and a good bronze-purple colour.

These and some others are varieties of *Phormium tenax* but there have also been some good new varieties of *P. colensoi*. One of the nicest is named Cream Delight and has leaves that have a broad band of pale yellow right up the centre with a narrow margin of green on each side. This attractive plant grows about 3 feet high and makes a handsome clump rather like a greenhouse dracaena, the inner leaves standing erect and the surrounding ones curving outwards. Dark Delight is not really a twin to it, as its name might suggest, for it is much more erect in habit but it is a fine deep purple colour which will contrast well with Cream Delight. A third new variety named Tricolor is green with narrow stripes of red and white, the whole plant about 3 feet high.

What has not yet been fully established is how these new varieties compare with the old ones for hardiness. No phormium will survive the lowest temperatures which are occasionally registered in Britain and I am sure that in some places there must have been many casualties this winter but so far my own plants of Purpureum and Variegatum have pulled through with only superficial damage which will soon disappear as new leaves sprout up in spring. I suspect that some of the newcomers are less hardy, and, except in seaside areas and in sheltered gardens elsewhere may have to be regarded primarily as container plants to be stood outdoors from May to November but moved into some kind of shelter for the worst of the winter. All should make fine plants for patios and terraces and, like the old kinds, they are very welcome as exotic looking foliage plants. There is certainly plenty of exciting new material here with which to experiment.

This phormium story is all part of a much larger development concerning the penetration of the British market by plants from New Zealand. It began quite tentatively some years ago and as recently as 1975-76 the total annual trade amounted to no more than £16,664. By 1980-81 this had multiplied about 14 times to £248,649 and still appears to be soaring up. It is one of the success stories of these rather dismal times.

Of course this is not a direct trade with the retail buyer. Cost of transport for plants of sufficient size for that purpose would be impossibly high. What the New Zealand growers have exploited is the demand by nurserymen for rooted cuttings or small offsets, which are known as liners, ready for growing on for a year or so to saleable size.

The New Zealand climate, especially in the north island, is particularly suitable for the mass production of such plants and an added advantage is that, since the growing season there is from September to March, deliveries can be made in Britain from April to June in time for the plants to continue growing for a further three or four months before finally going to rest. This probably would not suit all species but it certainly appears to suit the fairly limited range on which the New Zealand growers have concentrated so far.

Naturally enough this includes some more of their own native plants in addition to the phormiums. Hebes, which many gardeners still think of as shrubby veronicas, are among them and so are various pittosporums, leptospermums and cordylines. But growers have also been quick to exploit plants from other parts of the world which they are able to grow exceptionally well. Thanks largely to its skilful amateur gardeners New Zealand has an enviable reputation for producing fine new camellias and it is no surprise to find these, as well as some of the older varieties, prominent among exports to Britain.

Photinia Red Robin is rapidly increasing in popularity here as a hardy evergreen shrub or small tree with handsome bronze-red young leaves in spring and early summer. Though the colour is not as bright as that of the best forms of *Pieris forrestii* it is very striking and photinias unlike pieris will thrive in alkaline as well as acid soils. They also submit well to quite hard pruning in June which will keep them compact and at the same time encourage sturdy new growth and an abundance of coloured leaves the following year.

There is a truly international success story behind this photinia. Red Robin is a New Zealand selection from a hybrid that was produced in America between two Asiatic wild plants both of which were introduced to gardens by British plant collectors. One of these species, *Photinia glarba*, was found by E. H. Wilson in Japan in 1914. The other species, *P. serrulata*, was introduced by Captain Kirkpatrick from China as long ago as 1804. A hybrid between the two species occurred, apparently accidentally, among seedlings of *P. serrulata* in the Fraser Nurseries, Birmingham, Alabama and was named *Photinia fraseri Birmingham*. It was another form of this same hybrid that was selected in New Zealand and named Red Robin and it is currently the best-selling of all photinias in Britain.

For the first few years all the small nursery plants raised in New Zealand for the British market were flown to Heathrow, a journey which takes about 36 hours. From there the plants were rapidly distributed to the nurseries in which they would be grown on. This remains the principal means of transport but recently there have been experimental shipments to Guernsey in special temperature-controlled containers and this may further extend the range, and possibly also the size of the plants that can be imported as well as lowering their cost.

BOOKS

When Greek exploited Greek

BY ROBIN LANE FOX

The class struggle in the Ancient Greek World
by C. E. M. de Ste. Croix. Duckworth. £38.00. 732 pages

This remarkahle book has a passion, a personal style and a breadth of interest, based on exact detail, which have not surfaced in British history writing on sucb a scale for very many years. The cover is blood-red and the price seems likely to exacerhate the process which the text describes. Outsiders may be deterred by the spattering of cross-references, giving chapter and verse, which break up an explicit and dogmatic story. If so, they will miss a rare experience.

Its origins go back to the late 1940s. Then, a solicitor in bis late thirties threw up the profession which bored him and entered London University to study the histories of Greece and Rome. By the happiest chance, he coincided with the greatest historian of his generation, the late A. H. M. Jones. Master and pupil fired each other. Jones was engaged on his fundamental study of the Athenian democracy and his grand design, the later Roman empire. His mature student stretched him all the way with his forensic art of argument, his insight into legal concepts and his intense concern for Marxism. The result, by 1955, was already a flood of studies with which all serious historians of the ancient world still live. Jones imparted his method, a detailed citation of each example in an ancient text and an acute awareness of social and administrative bistory.

Trade, he argued, was of minor importance in a landed world whose upper classes simply lived off the humble. De Sainte Croix, his pupil, added the fire and explicitness wbich Jones's books bad somebow lacked. Marxism directed him to class-conflict and its copious outbreaks in ancient history, while a Marxist bias promoted technology, science and economic forms beside Jones's concern for the ways in wbich administrations worked. Irony and humour were joined to an abomination for Christianity and its effects, views confirmed by his own upbringing. His hook dates hack explicitly to this meeting of minds. For tbe author, a late starter, it has led to a career as a famous Oxford teacher, a Fellowship of the British Academy and a struggle with half a million words and as many references, amassed incredihly hetween the age of 60 and 70.

Personally, I do not believe its main contentions. I do not find the notion of a constant class-struggle very fruitful. On one side, among the poor there was no common class-consciousness; while on the other, loosely called the "propertied" there developed in many states a scatter of orders, statuses, categories and whatever which split people up beyond these generalisations. A peasant's worst enemy, I suspect, was often another peasant. At Athens and elsewhere, the existence of slaves probably overshadowed any *class-splits among the free* to a degree we find hard to imagine.

I do not find the central concepts of Marxism very clearly in my text of Aristotle. Even if I did, I would not therefore believe them. Aristotle's political theories of rich against poor may apply in places, perhaps especially in Sicily which Plato used as an example. But they are a short-cut, no better than, say, his "theory" of Greek tragedy, which fits about two surviving plays, or his views of early Athenian history, all of which could be safely ignored. I would like to believe that the Romans alone destroyed Greek democracy, but I still do not know this, partly because we do not know what counted as "democracy" in many Greek cities soon after Alexander's death.

The Roman Empire is a more promising field. By the 180s Roman law was indeed "one law for the rich, one for the poor" and by the 390s, one group of the peasantry was tied to suit its landlords' interest, among others. Many of the rich had become vastly richer, but their dominance lasted for two centuries or more, and I would not rate it high among the reasons for parts of the Empire's fall to its invaders. Terms like "exploitation," "leisure" and "struggle" are stretched heyond my taste and I cannot see that the results are explanations, rather than ways of talking to the converted.

This sample of a "wet's" *objections* are the despair of the author who mentions most of them, attacks them, and steams ahead on his course. Down the course, however, I follow with fascination, frequent approval and thanks for a range of detail across 1300 years, cited without observable error. He chooses to stress nothing which is not of burning interest. Women and the poor are brought out of the historical mist and many historians' indifference.

The living heart of the book is a love of Athens, a sadly-needed statement of why democracy was the plain man's best friend and a study of the world's later degeneration.

Critics will complain that the book should be half the length and that all cross-references and flashbacks ought to have been banned as exploitation of the poor old reader. To cut it, however, would be to mutilate a personal testament, whose like we will never see again.

I prefer to savour the struggle in full, its pauses for hreath, its hatred of Rome and the rich and Yahweh, its slow gatherings of steam and its strings of well-told stories, lighting up the later Empire. It leaves me feeling that we all resemble slightly what we most profess to dislike. Sir Moses Finley's views are clouted, but his answers and interests are remarkably near neighbours to much of this text. Behind it all, I sense the cast of mind of a great Church father, bent on a "Demonstration" of why history happened. Summaries of this or that era lead into a sudden, crushing flurry of ancient proof texts.

Heresy is hammered, usually justly, and the story is propelled by a theory which explains almost everything. Max Weber, *like* Plato, is *admired* but judged unsound at the centre; Sir John Hicks is too naive, like a nebulous Stoic, whereas Engels turns out to have interviewed masses of peasants and seen, like a missionary, what their life was really like.

The scholarship has something important for everyone, but the pedigree is the pearl. By a good Leveller, out of a Church Father, the progeny will force anyone to think through his own views, ancient and modern.

Votive stele of a victorious youth from the sanctuary of Athena at Cape Sunion (early 5th century BC). It is one of the many striking photographs by Roloff Beny in "Odyssey" (Thames and Hudson, £30.00) with text and anthology by Anthony Thwaite

Call me mother

BY SARAH PRESTON

The Myth of Motherhood
by Elisabeth Badinter, translated by Roger De Garis. Souvenir Press, £8.95. 360 pages

Is maternal love an instinct, lying ready to be awakened in every female heart, or is the idealised concept of motherhood yet another tactic in a male conspiracy to keep women in second place?

There is no doubt where feminists like Elisabeth Badinter, a French psychologist, stand on this issue. A woman's first duty is to herself. "Motherhood is a gift and not an instinct," as *F magazine* in France put it in 1978 after polling 18,500 of its women readers, adding "Let those women who are not gifted for it be left in peace."

When *The Myth of Motherhood* was published in France nearly two years ago it caused a furore. In fact, the nub of Elisabeth Badinter's argument now seems unexceptional. She uses material previously published by the French social historian Philippe Ariès, and by Shorter, for the English speaking world, to show that until the mid-eighteenth century not only was life for children nasty, brutish and short but that very few of their parents actually cared much whether or not they survived.

Of the 21,000 children born in Paris in 1780 some 19,000 were sent away to ignorant wet-nurses who crippled their limbs in swaddling clothes and neglected them in every other way. The infant mortality rate was over one in four, not because mothers could not feed their babies themselves but because it would have cramped their style to do so and they had other priorities.

It was only when Rousseau caught the attention of the middle-classes with the education of Emile, the boy, and Sophie, his future wife, that children became a focus of attention. Economic and social trends combined in favour of improved nurture of children at the expense of the subordination of women. Breast-feeding returned to fashion and life for women became centred on their children.

Mme Badinter (herself happily married and mother of three) argues cogently that since Rousseau, society has thrust guilt on women by making them believe they are not normal if they do not want children. As might be expected, she is particularly effective in demolishing Freudian theory. British readers will be surprised that she rails against Donald Winnicott's "ordinary devoted mother" who is "ready, waiting, unhurried" while omitting mention of John Bowlby who has probably had the most influence here and in the U.S. in the past 30 years, concerning the importance of the bond between a mother and her baby for the child's healthy psychological development.

So what is the lesson for society in general and women in particular? Most would accept that women should have a free choice whether or not to have children. They would agree that such a choice is available through contraception but that women are still susceptible to the images of their role projected by the media and the advertising industry. But the argument stops just where the difficulties begin. What about the woman who exercises both the right to work and the right to have a child? In shifting the emphasis to the rights of women to fulfil themselves as individuals there is a danger that the rights of children could be neglected.

The need for a child to have all his day-to-day care from his own mother has probably been overstated, but there is still ample evidence to show that children do need single-minded attention from the same small number of people. Until employment is organised differently it is going to remain extremely difficult for those women who do choose to become mothers to have careers which are the equal of those who choose to stay childless.

Elisabeth Badinter: what price the maternal instinct?

Fiction

Far-flung German family saga

BY ISABEL QUIGLY

Days of Greatness
by Walter Kempowski, translated by Leila Vennewitz. Secker and Warburg. £7.95. 399 pages

Angel of Light
by Joyce Carol Oates. Cape. £7.50. 434 pages

A Pale View of Hills
by Kazuo Ishiguro. Faber and Faber. £6.25. 183 pages

The Buckskin Girl
by Gwen Moffat. Gollancz. £6.95. 189 pages

From *A Death in the Family* to *The Pursuit of Love* to *The Leopard*, family fact has often made good fiction. Walter Kempowski's *Days of Greatness* takes what seems to he his family in Rostock (tbe name given it is Kempowski, anyway) from around the beginning of the century to the end of the first world war, and through it gives a picture of the upper hourgeoisie in the Kaiser's Germany. Parallel runs the story of the de Bonsacs in Hamburg, Huguenot manufacturers much longer established and rich.

At fifteen young Karl Kempowski falls in love with Grethe de Bonsac, who's seventeen and indifferent to him, because in love elsewhere; and with the war and a slow, arduous courtship, mostly hy post, the old love vanishes leaving space for the new — a trench-hardened, badly-gassed Karl.

This is tbe first translated volume of a family story that carries on to the 60s, and very well (if Americanly) it is translated; liveliness of style extending even to punning, which seems a *miracle* of translating skill. There's straight narrative and the testimony of friends, relations, acquaintances of all sorts; there's description and comment, and almost every page has its snippets of song and rhyme, quotation serious or frivolous.

The mixture of large and small, exterior and interior life, the far-flung and the domestic, is vigorously stirred. One is taken inside a particular culture, particular places and times, sympathies and affections, and shares them all, has a sense not just of exact reminiscence but of vivid reality: of Rostock and Hamburg, of the trenches and the slow defeated homeward march. Kempowski's range of characters and sympathies is wide; his sense of life before the horrors of his life (Nazism, the war, eight years' hard labour for the Russians) warm without sentimentality, emotionally exact, one feels, and sensuously vivid.

Joyce Carol Oates writes about families too, but for me they fail totally to live, to convince. The gothic domesticity of her *Bellefleur* was much praised; *Angel of Light*, though different in atmosphere, is equally ambitious. It also seems to me equally verbose, repetitive, and lacking not just in humour but in irony. The story spans nearly forty years and takes two American schoolboy friends from innocent affection to betrayal and death. Maurice and Nick are respectively good and hrilliant; but Maurice is rich and established, whereas Nick has to make his way. He makes it — taking Maurice's wife with him. Their father's death and disgrace make Maurice's children, Owen and Kirsten (the "angel of light"), swear vengeance on their Clytemnestra-like mother and her lover.

Enter left-wing guerrillas, murder squads, bombers. Involving the young in horrific revenge. Nick survives Kirsten's wild knifing, a broken man, sick and shunned. As always, a summary of the plot tells nothing of the book's quality. To me, it seems pitifully long-winded and pretentious.

A Pale View of Hills, a first novel, is so elliptical it seems like sketches for a novel rather than the finished product; yet it is strangely memorable. A Japanese writer living in England, Kazuo Ishiguro sets his story in Nagasaki soon after the homb fell, and then, a generation later, in England. Nothing seems to connect with anything else in the novel, and little happens, though the action skirts what is about to happen or has just happened, referring to it obliquely, almost shyly (or slyly): the homb and its aftermath, a daughter's suicide, a friend's possible, though unlikely, move from Japan to the U.S.

There seems to me to be talent there: the talent to involve the reader in the neat, polite style, the polished economy of description; the talent to make one, though not exactly understand the reasons for what happens, at least follow, absorhed, the action and reaction, the small, carefully constructed scenes that suggest, rather than directly describe, violence, menace, the macabre.

The Buckskin Girl is an adventure story, plain and fairly simple and exciting indeed. In the 1840s and '50s, the pioneer trails that took men, women, children and animals to California across two thousand miles of hostile Indian country in wagons, with every sort of *inimical weather* and *condition* to contend with, showed people at their worst and best and this is the story of one of them, led by an 18-year-old girl who is haunted by the (true) story of the Donners who, a few years earlier, snowed up within a few miles of help, took to cannibalism.

Gwen Moffat, herself a mountaineer whose memoir, *Space beneath my feet*, was a celebration of physical adventure and *hardihood*, is magnificent on the logistics and detail of the operation—what happens when wagons get stuck, what to do in snow/desert/mountain/river-crossing, and with thieves/murderers/Toonles/deserters/Indians/grizzly bears. But her heroina is a Hollywood hoyden and that's the hook's limitation: it is written in modern idiom and the freedom—sexual and conversational—is familiar to us but doesn't ring 19th-century-ishly true. Read Laura Ingalls Wilder for (*I imagine*) more authentic pioneering manners.

Kazuo Ishiguro: from Nagasaki to England

Danger points

BY IAN DAVIDSON

The Baroque Arsenal
by Mary Kaldor. André Deutsch. £7.95. 294 pages

The Nuclear Barons
by Peter Pringle and James Spigelman. Michael Joseph. £12.95. 578 pages

Mary Kaldor's thesis, in this suggestive if disorganised book, is that the U.S. is being dragged down hy the costs of developing increasingly sophisticated high-technology weapons systems. She calls these weapons systems "baroque" because they are increasingly elaborate refinements of the types of weapons which won the last war: the ships, tanks and aircraft. Not merely do their costs escalate uncontrollably, but each generation of aircraft becomes more unreliable, more difficult to maintain and operate than its predecessor.

Mary Kaldor lays the blame on the weapons technicians (and more generally on the inter-connections of the military-industrial complex). Many attempts have been made to generate simple, robust weapons systems, and all have heen foiled by the special interests.

One consequence of haroque weaponry, if it is not really the cause, is the fossilisation of America's defence industry round decadent industrial sectors like automobiles and aircraft. Ms Kaldor's prescription is a thorough-going review of military strategy, and a junking of all these high-tech weapons in favour of precision-guided munitions, which she thinks would be cheaper and better adapted for defensive strategy. In view of the cost-escalation of the PGMs already in use on American aircraft, it is not clear to me why new PGMs should be cheap, but her general point that there must be something profoundly wrong with the perpetual pursuit of more weapon per weapon is well taken.

Quite the worst part of Mr Peter Pringle and Mr James Spigelman's *The Nuclear Barons* is the blurb, which gives the impression that this is a breathless shock-horror scandal. Anyone who hopes for that kind of treatment will be disappointed. Instead it is a detailed and sober history of the development of nuclear weapons and nuclear power from the beginning until the present day. True, there are many anecdotes about the people involved, and there is an underlying theme of scandal, in the sense that the proponents of nuclear power have consistently sought to conceal the real costs and dangers.

The authors do not assert that nuclear power generation is wholly unnecessary, but they do assert that the control of the proliferation of nuclear weapons must start with controls on the proliferation of nuclear power generation. This is a responsible, and possibly an important hook.

Woolf's London

BY VALERY McCONNELL

The London Scene
by Virginia Woolf. The Hogarth Press. £4.95. 44 pages

The Hogarth Press is to he congratulated. Not only in managing to find some still collectively unpublished pieces by Virginia Woolf to bring out in this centenary year of her birth, but also for packaging them so elegantly. The jacket is beautifully designed by Angelica Garnett, the paper is of a thick and creamy quality, the type is large and the margins are generous. These five essays on aspects of London were written in the early 1930s in the inter-war lull and their tone is contemplative — lyrical rather than satiric.

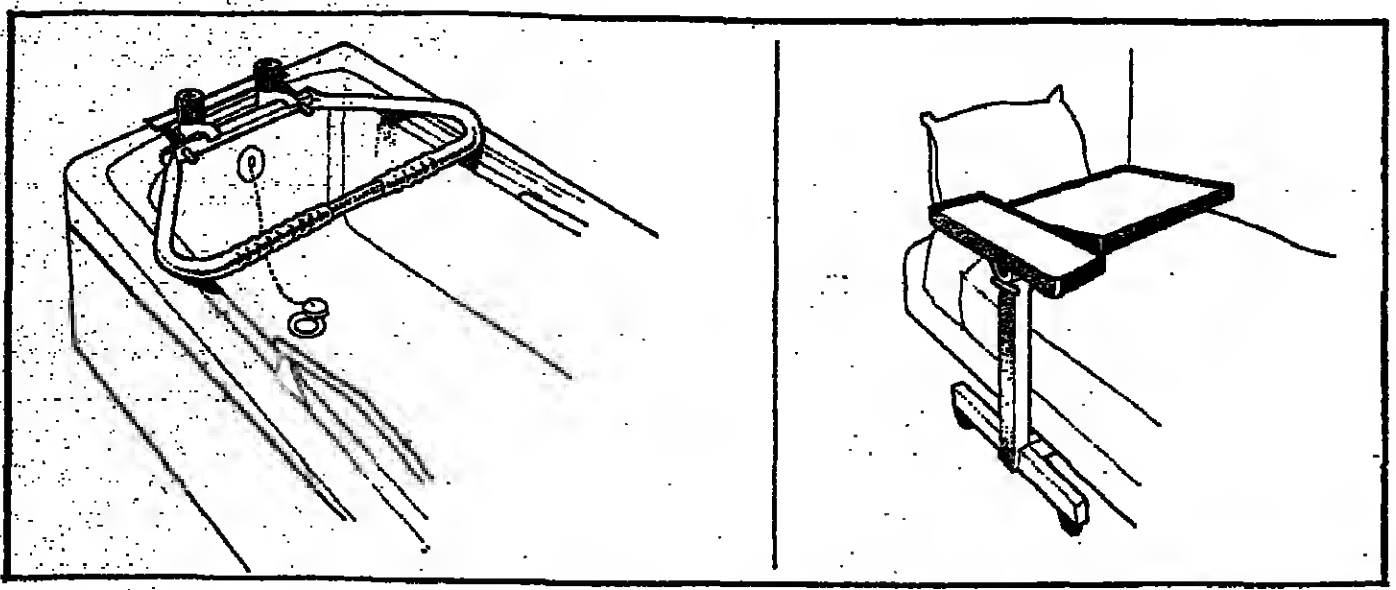
The London of which she writes was still the heart of the Empire. Appropriately, the hook opens with the essay on the docks, the then hub of Britain's vast sea-trade, and closes with a view of the House of Commons — sleek, masculine centre of much of the political world. Despite being written in the years of the Depression, the essays have an air of humming prosperity and powerful control.

It is indeed the structure and style that are the strength of the essays rather than their content. Her leisured and detailed description of ships being unloaded at the dockside produce measured and ordered sentences which seem at variance with the grim working conditions that then existed.

For this reason the best essay is on the houses of Carlyle and Keats. Here the hindsight of 50 years does not disturb Virginia Woolf's musing, and her thought that the Carlyles' life must have been deeply affected by the lack of piped water to the house remains apt.

HOW TO SPEND IT

by Lucia van der Post



Drawings by Paul Desmond

Left, bath support rail and right, an adjustable table for eating or reading in bed

Help about the house

THE YEAR of the Disabled may be over but the disabled themselves are always with us. For them the problem doesn't go away. Those who are young enough or healthy enough never to have been forced to consider the matter naturally prefer to dwell on cheerier things but common observation leads one to the inevitable conclusion that disability of some degree comes to almost all of us at some stage or another.

When I think back on the accidents that have befallen the family (two broken legs, one cracked arm, several cases of tennis elbow) not to mention accidents to colleagues, it seems obvious that the daunting phrase "aids for the disabled" turns out to cover a host of useful props that not only help the severely handicapped but see many of us through moments of crises in our lives.

All credit therefore to the Boots chain which has gone to considerable effort to make easily available to everybody a wide range of what it chooses to call "aids to personal independence."

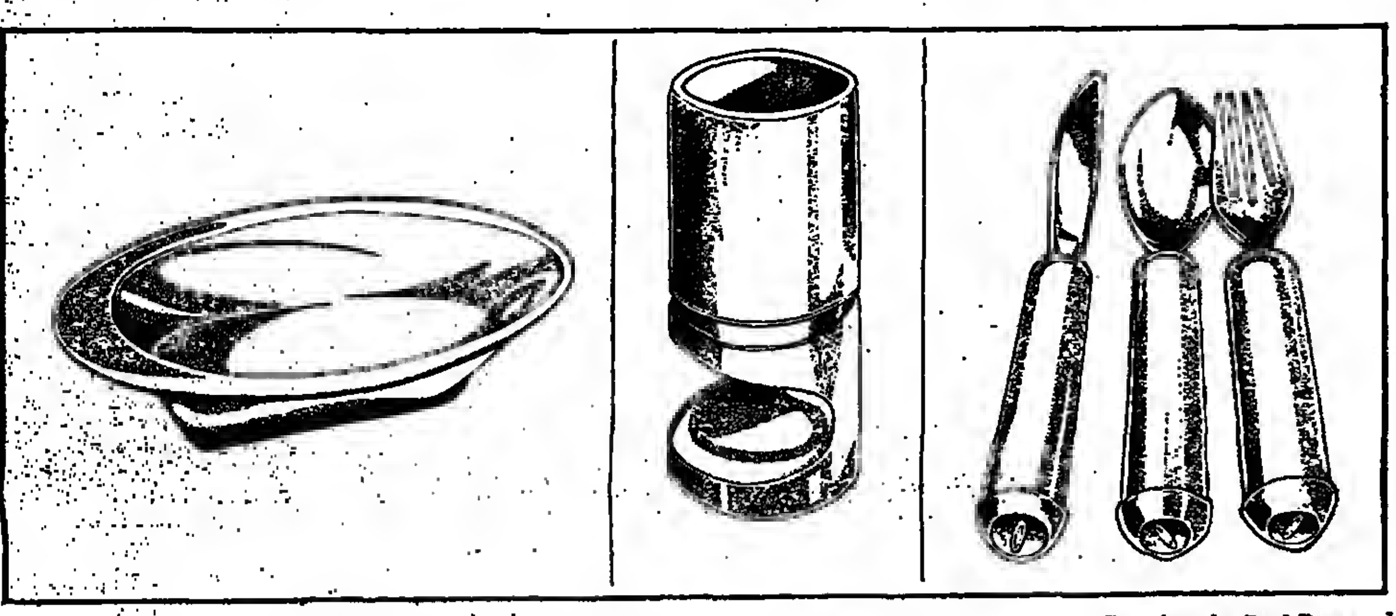
Boots did a great deal of market research and discovered that though there was a good range of props for most purposes on the market it was only possible to buy them all easily if you lived in London. Anybody living outside might have to make long journeys and visit several different towns before finding what they needed—and it scarcely needs saying that those who need them most are least well placed to travel loog distances.

So Boots decided to find out what the best available aids were and then to make them available to customers through all its shops up and down the country. Only 40 branches (the largest) will stock the complete range on the premises. Some others will stock a few items but anybody can go into any and every Boots store and consult a catalogue and so order whatever it is they want. It will then he sent to their particular branch.

On offer is the whole gamut of aids from a wide variety of wheelchairs and accessories to something as small as walking stick tips (92p each).

There is a whole range of safety aids for the bathroom—bath mats with slip resistant surfaces, bath seats for those who have trouble getting in and out of the bath, a bath support rail (sketched above, £10.95), and an adjustable bath board (this not only has a recessed soap tray but has iobuilt handgrips). Those who are temporarily ill in bed might appreciate the adjustable table (sketched above, £49.50) which makes eating, reading or working in bed much easier—the main top can be angled for reading or writing. Ooe or two items, like the jar aod bottle opener, would be welcome in the most robust of households.

There are products to make eating easier for those with arthritic or damaged bands from two-haodled cups to "easi-grip" scissors. There's a spleodidly solid range of Manoy cutlery which is particularly useful for those who have the use of only one hand (designed rather like the one Nelson bad made for him after he lost his arm in the Battle of Cape St Vincent).



Drawings by Paul Desmond

Melamine Manoy plate £2.25 and beaker £2.10, and Easy Grip cutlery (£5.95 the set)

GRAHAM AND GREEN is probably known to most readers of this page as an enchanting small shop selling an eclectic mixture of all the things that add charm and character to a home. Whether it be old lace bedspreads, new hand-embroidered linen from China, funky ceramics, enchanting lamps or glassware, whatever Graham and Green sells is usually a little bit different from the usual mass-manufactured stock.

However, last year the shop had a one-off exhibition of rugs bought from Afghanistan and selected by Alastair Hull. It was such a success that this year the shop is holding another exhibition and sale—once again collected by Alastair Hull in Afghanistan (don't ask me how). The Turkoman and Baluchi Kelims are very hard-wearing, very colourful (they add immediate impact and character to almost any room) and prices start at £45 and go on up to £750. Graham and Green is at 4 and 7 Elgin Crescent, London W11. The sale is from today until March 6.

ALMOST every day it seems, manufacturers come up with yet more ingenious ways of packaging some of the sweet smells that are now so popular. L'Artisan Parfumeur is an enchanting small shop at 194 Walton Street, London SW3 which specialises in selling all the sweet inessentials of life—the deliciously seductive haircombs, the perfumed bath oils, the hand-carved pomanders, scented candles.

Sketched right is a beautiful bottle of special bath oil—scented with fresh grapefruit, the bath oil separates (purposely) into three different colours in different layers so that not only is it delicious to use but it is a visual delight. £14 (p+p £1.50).

The beautifully wrought terracotta pomander stays fragrant for well over a year. It is unfortunately very expensive (£11 for small pomanders, £17 medium-sized, £36 large) but it is filled with a sweet resin to which oil is added. Refills are £8.

YET another inexpensive winner from the British Home Stores lighting department—the sort of lamp that every household needs on every working surface.

From Denmark, the head is fully adjustable, and it is made from painted metal in a choice of three colours—beige, brown or yellow. The complete height, including the head, is 20 in while the shade is 4½ in.

Available in large branches of British Home Stores now. £9.99.

Try saying cheese

BY JULIE HAMILTON

HOW IMAGINATIVE are you with cheese? If you're at all typical you probably only think of it as something with which to eod a meal, to put in sandwiches or to add to a white sauce. Ooce upon a time there may have been some excuse for such laziness or lack of imagination, when our knowledge of cheese was poorer and we had access to limited varieties.

Nowadays, however, supermarkets like Safeways have more than 50 varieties to choose from and my local village shop, Bannisters of Newick in Sussex, stocks between 30 and 40 different cheeses. So there really is no excuse not to "think cheese" more often. Besides being infinitely delicious, it is an excellent source of protein and gramme for gramme a great deal cheaper than meat.

Anybody wanting to look further into the subject might like to buy *The Book of Cheese* by Evan Jooes (published by Papermac, £2.95) — it is full of fascinating information and has stimulated my interest greatly. Some of the recipes given below come from it.

Fresh Parmesan is far, far superior to the grated variety sold in little drums and it is now sold by the Safeways food chain. Cube it and deep fry as a nibble with drinks or add the fried cubes to lightly steamed cauliflower or leeks tossed in butter and lemon then sprinkled with oregano.

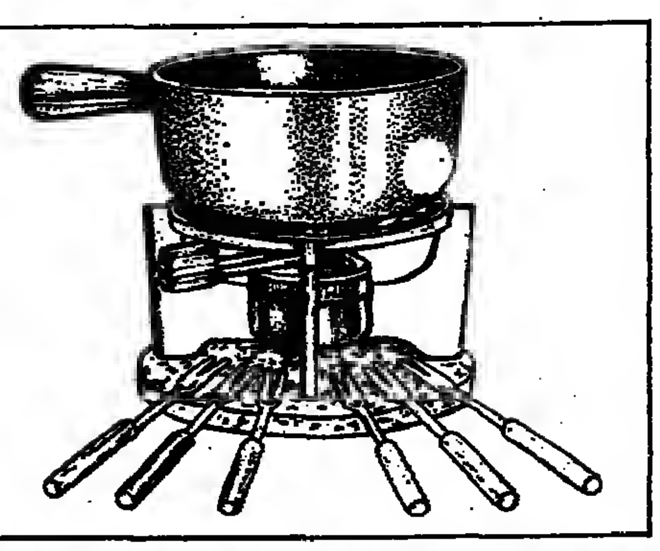
Mozzarella is usually thought of as the pizza cheese. Indeed the factory-made type is labelled as such, but if you can get it fresh from a delicatessen simply slice it, pour a little good olive oil over it, add plenty of freshly ground black pepper, decorate with an olive or two, some tomato and a little watercress. Serve as a side salad or as a starter.

Goat's cheese, also available from Safeways, is delicious grilled on a piece of toast with a fried egg on top, a squeeze of lemon to taste.

Alternatively, make a sandwich with it, trim off the crusts, dip in beaten egg and fry on both sides till golden.

When making a cheese sauce try occasionally using Derby sage or Cotswold or even Camembert instead of cheddar.

If you live near a Greek delicatessen ask for a "soft" Haloumi cheese, slice it ¼ ins thick, deep-fry until golden and serve with a wedge of lemon as a starter.



Cheese fondue set from a range by Cousances (there are meat sets too) available from Covent Garden Kitchen Supplies, Covent Garden Market, London WC2. From £28.81 each.

Emmentaler soup

serves 4

Cheese soup, not found too often here but very popular in Switzerland, can be made with almost any cheese you like.

This traditional recipe comes from Evan Jones' book. It is very good.

A really good beef stock is important in this recipe.

4 tablespoons butter; 3 oz flour; 32 fl oz beef stock (heated); 1 tablespoon caraway seeds; freshly grated nutmeg; 1 large clove garlic, finely chopped; 2 eggs beaten; 6 fl oz cream, heated; 3½ oz emmental, grated; 3 or 4 tablespoons chopped parsley; salt and freshly ground black pepper.

Melt the butter in a large pan, add the flour and stir over a gentle heat until it turns a rich brown without burning. Add the stock and bleod to a smooth consistency, add the caraway seeds, garlic, salt, pepper, and plenty of nutmeg. Simmer on a low heat for about 45 minutes, by which time it should be fairly thick. Stir in the beaten eggs. Put the hot cream and the grated cheese in a warmed tureen and pour the soup over, stir and serve at once very hot. Sprinkle parsley over each serving. Croutons are ideal with it.

Mozzarella Milanese is such an easy and tasty starter, but should be made with fresh mozzarella, although the Danish variety does work. All you do is thoroughly coat slices of mozzarella (½ in thick) with flour, egg, and breadcrumbs, making sure the cheese is well sealed in, and deep-fry quickly. Serve with a tomato sauce which has been flavoured with mashed anchovies.

The following recipe is also from Evan Jones' book and I can heartily recommend it.

Blue cheese meatballs

serves 4

1½ lb lean minced beef; 1½ teaspoons salt; 1 clove garlic finely chopped; 1 large egg; ½ lb blue cheese cubed; 4 tablespoons butter or oil; 8 fl oz red wine; flour.

Combine the meat with the salt, garlic and egg. Shape it round each cube of cheese to form balls, roll them in the flour and saute in the butter or oil, turning frequently until well browned. Add the wine, cover and simmer for about 10 minutes.

Have you tried a Roquefort filling for a quiche? Simply mix togather 2 whole eggs, 2 yolks and 6 ozs of cream with 3 oz of crumbled Roquefort, fill a 9 in quiche shell and bake for about 30 minutes at gas mark 4 (350F).

Cheese fondue

serves up to 8

Family fun with cheese is of course the Swiss cheese fondue. If you have never made it or tasted it have a go with this simple basic recipe.

12 fl oz dry white wine; ½ lb gruyère cheese; ½ lb emmental cheese (both grated and must not be the processed variety); 2 teaspoons cornflour; 3 tablespoons kirsch; freshly ground black pepper; 1 clove garlic; freshly grated nutmeg (optional); lots of crusty bread, cubed.

An earthenware casserole or fondue dish is necessary, a metal one will not do. Rub the inside of the dish with the garlic. Pour in the wine and heat it to boiling point, but do not let it actually boil. Add the cheese stirring all the time with a wooden spoon; when you have a creamy consistency and it is barely simmering add the kirsch which you have blended with the cornflour. Stir until the mixture bubbles, season to taste with pepper and nutmeg.

Place the dish over the fondue burner (If you do not have one a nightlight candle and a loose bottom cake tin will do!) but do not let it go on simmering, simply keep it hot. Should the cheese become too thick add a little more wine.

Dip the cubes of bread in and twiddle the cheese round. Be careful not to burn your mouth as the cheese is very hot!

New potatoes are about now; have you ever thought of serving them with a blue cheese and cream sauce? Combine in a blender one quarter part any blue cheese to one part cream, add some chopped walnuts and beat but do not boil. Pour over the hot cooked potatoes.

Cheese and potato souffle

This recipe is basically Hungarian and you may use any cheese or combination of cheeses you fancy or happen to have in the larder.

10 oz boiled potatoes (the waxy type are best); 6 tablespoons grated cheese; 4 large eggs; 6 fl oz sour cream; 4 oz butter melted; 2 tablespoons flour.

Separata the eggs. Combine the yolks, flour, sour cream and melted butter together in a saucepan and beat well. Put over a low heat and stir constantly for about seven minutes. Pull off the heat and continua stirring for a further five minutes. Grate the cold potatoes and with the cheese add them to the egg mixture. Whip the egg whites until really stiff and fold them in. Turn into a buttered soufflé dish and bake at gas mark 5 (375F) for about 25 minutes. Sprinkla grated cheese on the top just before serving.

Cheesy Jerusalem artichokes

serves 4

Jerusalem artichokes, marinated, rolled in cheese, coated with a beer batter and deep fried are hard to beat.

1½ lbs of Jerusalem artichakes; 1 small onion; milk; 2 fluid oz olive oil; 1 tablespoon vinegar; salt and freshly ground pepper; ½ teaspoon dried basil; 12 fluid oz beer; 4 oz flour; 1 tablespoon paprika; 2 oz grated Parmesan; oil for deep frying.

Pour boiling water over artichokes and rub off skin. Put them in a saucepan with onion and enough milk to cover thoroughly; bring to the boil and then simmer for 20 minutes. Drain artichokes, cut in slices while still warm and marinate immediately in olive oil, vinegar, salt and pepper to taste, and basil.

Meanwhile prepare batter by mixing beer and flour sifted with about one tablespoon of salt and paprika. After 30 minutes or more drain and dry artichoke slices and dredge them in the grated cheese. Dip in batter and fry until golden brown in hot oil.

I would be tempted to serve this as a dish on its own between courses or even as a supper dish with a tomato salad.

If any reader has an original recipe using an unusual cheese I would love to hear about it.

Return of the Hollywood greats

VIDEO REVIEW

NIGEL ANDREWS

WHAT FAMOUS film featured three directiooal greats of Hollywood, Erich von Stroheim, John Ford and Raoul Walsh among its supporting cast; speot an uncomfortable amount of time veoerating the Ku Klux Klan; and did more than any other single work in movie history to found the visual vocabulary of modern cinema?

If your lips are shaping *The Birth of a Nation*, you are right. The video-cassette department of Polygram Classics, "Spectrum Video," have issued D. W. Griffith's 1915 behemoth of a silent epic in a grand new version for home consumption, complete with orchestral score and a fair degree of success in steadying souod-speed jerkiness into a watchable continuum.

Griffith's 2¾-hour *magnum opus* of the American Civil War is really two films in one. The first half is a prodigiously vital and inventive whirl through the war itself—God's-eye-views of smoke-furled battle scenes, thrilling and precipitate cutting, a literal cast-of-thousands—punctuated with the domestic-romantic fortunes of two families, one Northern, one Southern. The second half continues the family saga into the aftermath-of-war and also gives us Griffith's controversial and decidely bizarre (even in its own time) tribute to the birth and early rampaging of the Ku Klux Klan: "the organisation," says a title-frame, "that saved the South from the anarchy of black rule."

The racist elements of the movie, which was originally titled *The Clansman*, brought down such a pother of protest in its day that Griffith went on to make *Intolerance* (1916) just to show that he was not. (Intolerant.) This leviathan also—*113 minutes of description-beggaring* spectacle ranging from Babylon to Manhattan—is available on Spectrum's catalogue, with a special piano accompaniment.

Structurally, if not ethically, *Birth of a Nation* is without doubt the finer of the two films. Griffith's style has a wonderful speed, "colour" and cogency. He was virtually inventing as he went along such now taken-for-granted movie tropes as the close-up, the jump-cut and the fast tracking-shot. And he varies image-impact by blacking out parts of the screen—with shadows or the narrowing aperture of iris-shots—to concentrate attention on the focal point: a girl's face, a revolver, a line of troops etched on the skyline.

Video now makes it possible to stop and start, speed or slow-down, rewind and re-view, tha picture—depending on your machinery's sophistication—and study in detail what is the blueprint for movie evolution in this century.

You may even, if you are sharp-eyed enough, glimpse the three fleeting directors named above. No problems with Raoul Walsh—he plays John Wilkes Booth, Lincoln's assassin, first seen scowling in a bower of light outside the theatre-box. But Ford is mostly concealed within KKK robes and Von Stroheim—if I spotted correctly—flits briefly in and out in black face as a lieutenant of the darkie "villain" Silas Lynch. (The film's use of white actors to play principal blacks is another unfortunate aspect of the racial motif. One is led to suppose that the American South in the 1860s was entirely populated by Al Jolson impersonators.)

The only querulous technical note worth raising vis-à-vis Spectrum's version of *Birth of a Notion* is that the jacket clearly announces the presence of "colour tints" and no colouring was evident at all on my copy.

No such complaint with *Intolerance*, which unfolds in a sumptuous and always apposite series of mauve and sepias and pinks and blues (based on the tints used in the original showings of the film). *Intolerance* is four stories inter-sliced to illustrate the theme of the title. The Passion of Christ, the conquest of Babylon by Cyrus the Great, the St Bartholomew's Day Massacre, and a "modern" melodrama of fairly awful baoality about a girl aaving her beloved from the scaffold.

I put on my hairshirt to confess that I skimmed through the modern story at high speed with the "Fast forward" button and lingered over the others. Griffith's Babylon aets are astonishing to this day. They make 20th Century Fox's Alexandria sets for *Cleopatra* look like left-overs from a Lego set. But what is still more breathtaking tha nthe scale and spectacle of the buildings—gargantuan statues, a massive flight of steps, a triumphal arch topped and bristling with hundreds of extras, vast fluted pillars crowned with elephants "rampant"—is the cine-sense with which Griffith holds back long-shots of this *piece de resistonce* until late in the film and even then rations them so that we're agog for more.

Add a generous dash of battle scenea—giant war-machines trundle up to 100-foot walls, smoke and fire rage, a soldier's head is lopped off with a sword—and it's very probable that Griffith's Babylon sequences are more of an action-packed eyeful than was the original fracas between Cyprus and Belshazzar back in 639 BC.

One complaint only about this Spectrum *Intolerance*. The sound-speed jerkiness-of-motion that was minimised in *Birth of a Notion* is more evident here and tends to unite the thronging human flotsam of four epochs in a common anticipation of the Keystone Cops. Isn't this a difficulty that modern technioues could overcome—even if by reprinting frames to increase the ratio of footage to soundtrack?

The cost of the two tapes is £39.58 each.

From Griffith's Birth of a Nation

ARTS

Back to earth

BY B. A. YOUNG

After this week we can put James Joyce back in the box for another 50 years. There really isn't enough in bim—I mean *him*, not what he wrote—to make any more ceotenary out of. *Joycentenary* began to repeat itself. Anyone quoting *Ulysses* latched *on to* "the heaventree of stars"; anyone quoting *Finnegans Wake* weot for "the hitherandthitheriog waters of." Some did it better than others: for example, Matyas Seiber's *Ulysses* cantata last Monday comes from another and finer world than Anthony Burgess's *Ulysses* musical.

On Tuesday we had *Poet's Joyce*, a series of four poems dedicated to him. The best of them was certainly that of Hugh MacDermid, which dealt less with Joyce than with English literary criticism. All four, except possibly P. J. Kavanagh's, were to my mind better than any of the poems in *Pomes Penyeach*. These are at least less sentimental than the poems of *Chamber Music*; they wrap vaguely masochistic romantic thoughts in the language of last century. I can't think how the man who wrote *Ulysses* could bave written them.

On Thursday we heard them set to music hy composers of the time as if they were by Housman, and prettily sung by Meriel Dickinson after an interesting introduction by Peter Dickioson about their original publication in *The Joyce Book*. I've not bad the fortune to see this, which was publisbed in a limited edition of 500 copies; but surely the songs ougbt to be sung by a male voice?

The previous day there was *Shems Progress*, a hitherandthithering poetic fantasy about the making of *Finnegans Wake*. Extracts from that difficult work were beautifully read by Dearbhla Molloy, wbile around them were various matters showing where Joyce got his inspiration from, and bow bis work struck his friends, his family and his publisher. Joyce bimself was ably played by Jim Norton; other players representing his brother Stanislas, his publisher Harriet Shaw Weaver, Ezra Pound and James Stephens were all called in to help with *Finnegans Wake*, and the Sugawn Folk gave us tbe title song itself. I enjoyed the programme very much. It was written by John Quinn and directed by Piers Plowright.

To shake off the fey feeling that Joyce left with me, I plunged ioto Afternoon Theatre on Radio 4. Oo Wednesday there was *Home from Home* by R. E. T. Lamb, about an Aoglo-Indian lady who comes to live in a "private place of retirement for *professional ladies*" in England after a lifetime in India. On Thursday, *The Bird Table* by David Bartlett, in which a middle-aged man who has left his wife for a young girl loses his memory aod finds his way back to his old home, his still-loving wife and his suspicious son, who thinks he has beeo doing a Stonehouse. Decent stories enough; but how ordinary the characters all seemed, bow unpoetic their thoughts and their language. Debauched by that Irish wizard, you see. No doubt it will soon wear off.

To get me right back into the least magical part of the present day, there was a tremendous programme on Tuesday on Radio 4 called *Crooning Buffoons*. Ray Gosling, who has always given me the impression of being in the van of trendy youth, even if the youth has begun to wear off, gave the first really trenchant anti-rock sermon I have beard. This was no ageing conservative sounding off against modern youth; this was the real thing, from a man who has been through the mill bimself.

He traced the progress of youth fashion forward from the Teds and examined each modification in turn—the Mods and Rockers, the Punks, he knew every variety and hated them all. As he pointed out, rock music has always been based in savagery. First we had slitting upholstery, now it has developed into mass riots, riots against nothing. Boys and girls asked why they broke things up said frankly that it gave them kicks. "A big roar of discontent," said one girl. "It was great!"

I hope this programme will be repeated once a week on Radio 1, and always at different times, so that it will take people by surprise. We can't go on for ever believing that it's fun, there's no harm in it. Let's hear from you, Mike Read, Simon Bates, Dave Lee Travis, Paul Burnett, Steve Wright and all the rest.

Canterbury, by Albert Goodwin

Albert Goodwin

BY BRIONY LLEWELLYN

"I wonder sometimes," remarked Albert Goodwin, "if the spirit of old Turner makes use of my personality! I often find myself doing the very things that he seemed to do." Walking round the recent exhibition of his watercolours at Sotheby's Belgravia, it was easy to agree, for few artists have captured so closely the spirit aod form of his watercolours. Yet that entry in bis diary was writteo in 1911, over balf a century after Turner's death and at a time when art was on the thresbold of radical changes, none of which had any effect on Goodwin, even though he went oo painting up to his death in 1932.

Most of Goodwin's work is best described as "poeticised topography" (as in the introduction to the catalogue which accompanies the show). Like Turner's, the basis for most of his art was bis own experience, but, as he grew older, more and more transmuted through memory into a poetic recreation of that experience. Thus, in *Boston Stump, Sunset* (c 1907), all detail is dissolved in the misty atmosphere through which soars the church tower, its bulk enhanced by the emptiness of the river below.

Goodwin is best known for such atmospheric evocations, whether of his native landscape or that of Italy or Switzerland (haunts of Turner's). But he also travelled further afield—to Egypt, India, New Zealand and the West Indies—and found as much inspiration in the white brightness of the Taj Mahal or the dusty haze of Cairo as in the soft vapours of Venice or Fribourg. Yet even far away from Europe Turner was in his thoughts: "What things Turner would have done under the inspiration of such cities as Benares."

Goodwin borrowed many of Turner's compositional devices to give his images greater impact: dramatically high or low view-points, bold diagonals thrusting into the picture, a throng of little figures dwarfed by a solid mass of architecture; and, prompted by his knowledge of Japanese art, he added ooe of his own, making trees or foliage act as a kind of frame for the buildings (often a church) beyond.

Like Turner, Goodwin astonishes with his technical virtuosity, rendering apparently unattainable effects of light and atmosphere with a skilful combination of broad washes and detailed pen-work, and employing a mixture of media, partly scraped or wiped out. By these means he could convey, more successfully than many artists, both natural and artificial light effects — sunsets, moonlight, fire, the glow of street lamps, the flare of fireworks. *Bristol Docks by Moonlight* and *Sunset over Venice*, are fine examples.

Although Turner was the chief influence on his mature and later work, particularly from c. 1895-1925, Goodwin had been taught by Arthur Hughes and the Pre-Raphaelite, Ford Madox Brown, and bad begun in their manner, with "truth to nature" as his maxim. Their influence is felt in his early work in the concern for detail and clear colour, especially noticeable in *The Conservatory*.

For Goodwin, the link between the Pre-Raphaelites and Turner was John Ruskio, champion of both, and his mentor for many years. Through bim Goodwin learnt the value of form and line as well as colour. Apart from a few purely imaginative compositions inspired by literature or the Bible, Goodwin's work was rooted firmly in reality, though often overlaid with an element of mystery or otherworldliness. It is the combination of fact and fantasy which makes him so distinctive an artist.

The exhibition was organised by the Bolton Museum and Art Gallery.

Operetta at the Wells

BY ANTONY THORNCROFT

The National Westminster Bank is contributing £35,000 towards the Sadler's Wells Theatre's own production of Offenbach's operetta *The Grand Duchess of Gerolstein* which opens on April 28. This is not only the biggest single sponsorship Sadler's Wells has yet received; it also makes much more likely its ambition to establish a permanent company promoting operetta in London as a lighter hearted competitor to Covent Garden and the Coliseum.

Sadler's Wells has had its problems in recent years, not least the problems of identification. It sometimes seemed to provide a London home for some of the wilder fantasies of theatrical and musical impresarios. Even some of its regular visitors such as D'Oyly Carte, moved elsewhere, taking its annual Christmas season of Gilbert and Sullivan to the Adelphi this year, although to no financial advantage.

Now the prospects for the Wells are improving. It launched operetta in its own productions last year and with audiences for *The Gypsy Princess* approaching 70 per cent it believes it bas tapped a market not supplied by the established opera houses. The season made a profit and *The Gypsy Princess* is being revived next month. Already a much longer season is planned for early 1983 with a more ambitious programme, covering English as well as French and Viennese operetta. It seems as if Sadler's Wells will be among the first in the ring to provide Gilbert and Sullivan now that the D'Oyly Carte has quit the stage.

But just as encouraging as the discovery of an identity, and a need, in the development of an operetta company is the comparative success of its subscription programmes. Subscription schemes have been over-sold as the cure for all the financial difficulties of arts organisations. They ensure a large sum of money up-front, enabling companies to avoid expensive bank overdrafts; they fill seats at an early stage; they enable more adventurous programmes. Unfortunately they cost a lot of money in administration and marketing.

Sadler's Wells experimented with a subscription scheme last year involving dance companies. It planned for 4,500 takers and achieved 3,500. Even so £82,000 was subscribed, a useful advance sum, and the promotion of the scheme obviously encouraged more off-take for individual performances because the dance season, unlike the American dance season in the summer, was a great success, with the Japanese Kabuki and Northern Ballet achieving a virtual sell-out, and the Sadler's Wells Royal Ballet almost 90 per cent of capacity.

A more ambitious subscription scheme has been launched for this spring, covering both opera—the operetta season and the annual visit of Kent Opera—and dance, Sadler's Wells Royal Ballet, Northern Ballet, and Australian Dance Theatre. The cash target is £70,000 and already £38,000 has been subscribed for a season which does not start until the end of March. The cause for satisfaction is that over a quarter of the subscribers are going for a package of dance and opera, suggesting that Sadler's Wells is right to concentrate on establishing a role as a lyric theatre, half dance, half opera, while eschewing drama.

Sadler's Wells, without direct Arts Council support, is now more than breaking even. It still has a problem in deciding whether it is a building or a production company, but its experiences in the past year as a promoter — presenting such disastrous seasons as the Theatre de Silence — have clarified its ambitions. It will continue to offer a home to proven companies, like the London Contemporary Dance—who can afford to rent its stage; it will continue to share box office receipts with such regulars as the Sadler's Wells Royal Ballet; it will continue to promote such hardy annuals as Kent Opera; but it will also try to develop its own productions, built around its operetta company. With the appearance, just a mile away, of the Barbican it has become even more urgent for Sadler's Wells to develop its own personality, to attract its own clientele. It seems to have discovered a role just in time.

The Treat

BY ROSALIND CARNE

We all know that men are monsters. But surely a woman playwright could venture a little below the surface horror. Pam Gem's new lunchtime at the ICA play, set in a brothel, offers us a series of "casuals," random samples of the male clientèle, all reeking of crudeness and perversity. She does manage to convey a sense of the boredom of selfish sex, but boredom creates dangerous ground in theatre and needs a writer of some brilliance if the audience is not to suffer accordingly.

Cardboard masculinity would be fine if complemented by a fuller sense of the female consciousness. Unfortunately there is little psychological substance to the three prostitutes. The principal victim, Marie, is a religious freak who endeavours to convert her sisters. Françine and Berthe are far too cynical to care, nor do they pay much attention to her racking illness. Their guilt when disease takes its toll provides an odd lynchpin to the strained plot.

A nasty little pimp keeps the play afloat with a certain gusto as he introduces the various "messieurs" (the vaguely French location feels somewhat gratuitous). One gentleman enjoys the little girl routine, another has a penchant for troilism; buggery is always popular, as are various forms of brutalisation. I should point out that all this happens offstage, though we are treated to a mechanical act of simulated copulation between Marie and the boss. He evinces a glimmer of personality in his anxious see-sawing between unctuous flattery and camaraderie, mingled with a heartless business sense towards the girls. His conversation with one wealthy caller draws some nice parallels between destructive father-daughter relations and the habits of the sexual underworld — a spark of thoughtful illumination in the course of a grim hour.

Stephen Macha has provided a conventional plush set of drapes around a well-upholstered chaise longue, and the array of costumes is mildly picturesque.

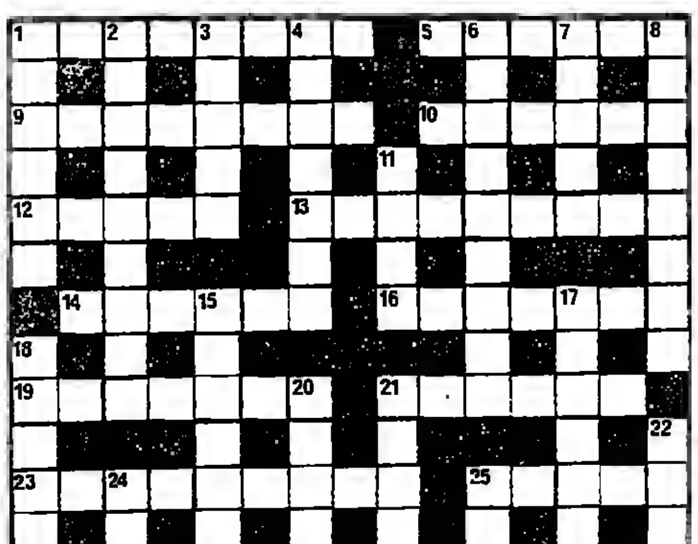
F.T. CROSSWORD PUZZLE No. 4,797

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



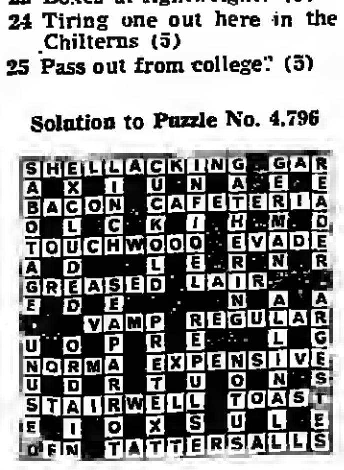
ACROSS

1 Got into Egypt as father of Ham (8)
5 British heat the common sausage (6)
9 & 10 Stevenson's work shows ultra-readiness to excite (8, 6)
12 Girl a long time admitting name (5)
13 Devon's rocket site? (9)
14 Monday is difficult for the generator (6)
16 Garden frame? (7)
19 Many supplementing novel sort of crowd (7)
21 In this Olympic event, the record goes to America (6)
23 I sit inert, unsettled—it's this eye trouble (9)
25 Snake of summer (5)
26 Snow begins French winter—react to the cold (6)
27 Unmarried girl shut up is wasted (8)
28 Imply non-existence of Tyneside crowd (6)
29 Self-caterers? (8)

DOWN

1 Small strike at mine—tread lightly (3-3)
2 As jealous as a yellow idol? (5-4)
3 Sea so rough at some caravan sites (5)
4 Rent-a-party twister (7)
6 Proverbial promoters of cordiality? (9)
7 General permit (5)
8 Flag put down by Russian elector (3, 5)
11 Landlord's call cooling up—"throw out"! (4)
15 Dressing made from gammon ends in rare food (9)
17 The French strip such a washer (9)
18 Confine one member with irons, perhaps (8)
20 Barbarian received at hospital (4)
21 Light coat for daily work (7)
22 Boxes at lightweight? (6)
24 Tiring one out here in the Chilterns (5)
25 Pass out from college? (5)

Solution to Puzzle No. 4,796



TV/Radio

† Indicates programme in black and white

BBC 1

6.25-8.05 am and 8.30-8.55 Open University (VHF only). 9.05 Swioi. 9.30 Swap Shop. 12.12 pm Weather.
12.15 Grandstand including 1.05 News Summary: Football Focus (12.20): World Cup Ski-ing (12.45): Boxing (1.10); Racing from Newbury (1.20, 1.50, 2.30, 3.00); World Bobsleigh Championships from St Moritz; Hockey (2.50, 3.20) The Rank Zerox Indoor Home International Championship: Rugby League (3.55) State Express Challenge Cup (St Helens v Wigan); 3.45 *Half-time* football scores; 4.35 Final Score: news round-up plus classified results.
5.10 The All New Pink Panther Show.
5.30 News.
5.40 Sport/Regional News.
5.45 The Circus World Championships.
6.45 Jim'll Fix It.
7.25 Nanny.
8.15 The Les Dawson Show.
8.45 Dallas.
9.35 News and Sport.
9.50 Match of the Day.
11.00 Parkinson with his guest Beo Vereen.
12.00 Golden Soak by Hammood Innes.

Regional Variations: Cymru/Wales—5.40-5.45 pm Sports News Wales.
Scotland—9.05-9.30 am Mag Is Mog. 5.40-5.45 pm Scoreboard. 9.50-11.00 Sportscene. 12.50 am News and Weather for Scotland.
Northern Ireland—5.00-5.10 pm Scoreboard. 5.40-5.45 Northern Ireland News. 12.50 am Northern Ireland News and Weather.
England—5.40-5.45 pm Saturday Spotlight (South-West only).

BBC 2

7.40 am-1.55 pm Opeo University.
2.25 Saturday Cinema: (1) "Lisbon," starring Ray Milland aod Claude Rains.
3.50 The Sky at Night.
4.10 Saturday Cinema: (2) "A Man Alone," starring Ray Milland.
5.45 Bowls: Embassy World Indoor Championship.
6.45 Life in Care.
7.15 News and Sport.
7.35 Did You See . . .?
8.15 Spain—a return to the battlefields.
9.05 Film International: "Mirror" (Russian film with English subtitles).
10.50 The Light of Experieoce.
11.05 News on 2.
†11.10-12.55 am Midnight Movie: "The Wicked Lady," starring Margaret Lockwood, James Mason and Patricia Roc.

LONDON

8.35 am Sesame Street. 9.35 Space 1999. 10.30 Tiswas.
12.15 pm World of Sport: 12.20 On the Ball: 12.45 World Cup Ski-ing from Austria: 1.00 Women's Cricket: World Cup Final from New Zealand: 1.15 News: 1.20 The ITV Six from Ayr and Catterick: 3.00 and 3.30 Moto Cross from Hadleigh: 3.20 Report on the Molson Tennis final between John McEnroe and Ivan Lendl: 3.45 Half-time soccer news and reports: 4.00 Wrestling: 4.50 Results.
5.05 News.
5.15 Happy Days.
5.45 Dick Turpin.
6.15 The Goodies.
6.45 3-2-1 presented by Ted Rogers.
7.45 Hart To Hart starring Robert Wagner and Stefanie Powers.
8.45 News.
9.00 "Bite The Bullet," starring Gene Hackman, James Coburn and Candice Bergen.
11.20 OTT.
12.20 am London News Headlines followed by Johnny Carson's Tonight Show with guest Lynn Redgrave.
1.00 am Close: Sit Up and Listen with Ian and Jennifer Partridge.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street. 10.00 Sport Billy. 5.15 pm Mr Merlin. 7.45 Magnum. 12.20 am At the End of the Day.

BORDER

9.35 am Thunderbirds. 5.15 pm Mr Merlin. 7.45 Magnum. 11.20 Hear Here.

CENTRAL

9.05 am Paint Along With Nancy. 9.30 Sesame Street. 5.15 pm Mr Merlin. 7.45 Magnum.

CHANNEL

5.15 pm Mork and Mindy. 5.40 Puffin's Pla(i)ce. 7.45 The Fall Guy.

GRAMPIAN

9.00 am Sesame Street. 10.00 Joe 90. 5.15 pm Mr Merlin. 7.45 Magnum. 12.20 am Reflections.

GRANADA

9.20 am Spiderman. 2.20 Thunderbirds. 5.15 pm Bugs Bunny. 5.20 Chips. 7.45 Magnum. 12.20 am Mannix.

HTV

9.10 am The Adventures of Black Beauty. 9.35 Thunderbirds. 12.13 pm HTV News. 5.14 HTV News. 5.15 Mr Merlin. 7.45 Magnum. 9.00 "Casino Royale," starring Peter Sellers.

HTV CYMRU/WALES—As HTV WEST except: 9.10-9.35 am The Book Tower. 5.15-5.45 pm Sion a Sian.

SCOTTISH

9.15 am Vicky the Viking. 9.40 Thunderbirds. 5.15 pm Mr Merlin. 7.45 Hart to Hart. 12.20 am Late Call.

TSW

9.15 am Wheelies and the Chopper Bunch. 9.30 The Saturday Show. 10.30 The Incredible Hulk. 11.20 Survival. 11.45 University Challenge. 12.12 pm TSW Regional News. 5.15 Mork and Mindy. 5.40 Newsport. 7.45 The Fall Guy. 12.20 am Postscript. 12.25 South West weather.

TVS

9.00 am Saturday Briel. 9.05 Sesame Street. 10.00 Here's Boomer. 10.30 No. 73. 5.15 pm TVS News. 5.20 Mr Merlin. 7.45 Magnum. 12.20 am Company.

TYNE TEES

9.00 am Cartoon Time. 9.10 Sport Billy. 9.40 Thunderbirds. 12.13 pm North East News. 5.15 North East News. 5.17 Mr Merlin. 7.45 Magnum. 12.20 am Three's Company.

ULSTER

10.00 am Stingray. 1.18 pm Lunchtime News. 5.00 Sports Results. 5.13 Ulster News. 5.15 Mr Merlin. 7.45 Magnum. 8.59 Ulster Weather. 11.20 News at Bedtime.

YORKSHIRE

9.00 am The Saturday Morning Picture Show: "Living Free," starring Susan Hampshire and Nigel Davenport. 5.15 pm Mr Merlin. 7.45 Magnum.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave only

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 12.00 My Top 12. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert, featuring Joan Armatrading (S).

RADIO 2

5.00 am Peter Marshall with The Saturday Early Show (S). 8.02 Racing Bulletin. 8.04 David Jacobs (S). 10.00 Star Choice (S). 11.02 Sports Desk. 11.03 Get Ready for Fenny (S). 1.00 pm Know Your Place. 1.30 Sport On 2: Football: FA Cup Fifth Round commentary and highlights; Cricket: reports on Sri Lanka v. England; Racing from Newbury (2.00, 2.40); 5.00 Sports Report. 5.45 Classified racing and football results. 6.00 Country Greats in Concert (S). 7.00 Beat the Record. 7.30 Big Band Special with the Radio Big Band (S). 8.00 Saturday Night is Gala Night (S), including 8.40-9.00 Interval, talk by Peter Clayton. 10.00 A Century of Music (S). 11.02 Sports Desk. 11.03 Pete Murray's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Bandstand (S). 1.00 News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Classical Guitar (S). 7.25 A Journey by Train (S). 8.00 "The Flying Dutchman," opera by Wagner, sung in English: English National Opera production, from the London Coliseum (S). 10.30 Araby (story by James Joyce). 11.00 News. 11.05-11.15 Tchaikovsky (S).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Just a Minute (S). 12.55 Weather, programme news. 1.10 Any Questions?. 1.55 Shipping forecast. 2.00 News. 2.05 Thirty Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 The British Seafarer (S). 4.15 Feedback with Tom Vernon. 4.30 Does He Take Sugar? 5.00 Novels Up To Now. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Beyond the Threshold. 11.00 Lighten Our Darkness. 11.15 A Word in Edgeways. 11.45 On the Train to New Zealand. 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.05 Weekend What's On. 8.30 Travel Round-up. 8.33 Westminster at Work. 9.00 News, Travel. 9.03 On the Rates. 9.30 Openings. 10.02 All That Jazz. 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 6.00-5.00 am Join Radio 2.

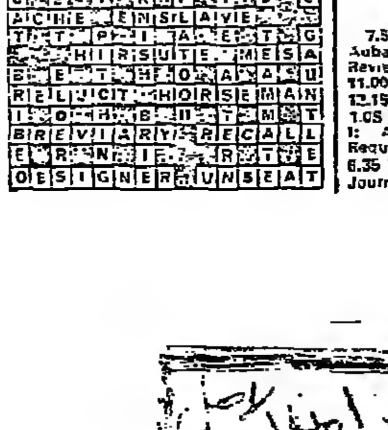
LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Tommy Boyd. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allen. 6.00 Gest Mela. 8.00 Network: "Finger on the Pulse" (part 3). 9.00 LBC Special: Travel '82—"Holnesa in Hong Kong." 10.00 Nightline with Therese Birch. 1.00 am Night Extra with Steve Allen. 4.00 Heyes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 8.00 Countdown. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's afternoon delight. 5.00 Greg Edwards' Soul Spectrum. 8.00 Juke Box Saturday Night. 9.00 Capital Re-cap with David Castell. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

Solution and winners of Puzzle No. 4,791



Sheila Price, 76, Field Barn Drive, Weymouth, Dorset.

Mrs M. Woods, Larchwood, Hadlow Down, East Sussex.

Mr M. J. Greener, 33, Glan Hafren, The Knap, Barry CF6 STA.

CHESS SOLUTIONS

Solution to Position No. 410

1 Q-R6 ch, RxQ; 2 BxR ch, K-N1; 3 N-B6 ch, K-R1; 4 R-K8 ch, RxR; 5 B-N7 ch, KxB; 6 NxR ch, K-B1; 7 NxQ followed by 8 P-N5 trapping the bishop wins.

Solution to Problem No. 410

1 N-N4 (threat 2 Q-K7 mate), Q-R5; 2 P-B5, or if B-Q3; 2 Q-B4, or if N-Q3; 2 Q-K5, or if P-Q3; 2 Q-K3, or if N-B3; 2 R-K7. Not 1 N-B3? Q-R5 and White's KBP is pinned.

Wells

COLLECTING

Four rare Naval General Service Medals for the Napoleonic Wars

Thirty-two years late

MEDALS
JAMES MACKAY

IN 1847, 32 years after the Napoleonic Wars had ended, the British Government remedied a long-standing grievance of junior officers and other ranks who had fought in those campaigns, and instituted two medals. The award of Naval and Military General Service Medals was sanctioned by Queen Victoria whose profile appeared on the obverse of both medals with the date of issue, 1848.

The reverse of the naval medal showed the figure of Britannia seated on a seahorse, while the reverse of the military medal portrayed the Queen placing a laurel wreath on the head of the Duke of Wellington.

Since applications for these medals were in some cases made in respect of campaigns more than half a century earlier, it is hardly surprising that the number of medals awarded was comparatively small, while the number of clasps awarded for certain battles and engagments was quite minute. Some 25,650 applications were received for the military medal and 20,901 for its naval counterpart. No fewer than 29 different bars were authorised for the military medal, but a total of 231 different bars was authorised for the naval medal—proof of the power and ubiquity of the Royal Navy almost 200 years ago.

Paradoxically, multiples of bars are commoner for the military medal than the naval medal. Two soldiers received the former with 15 bars and more than a dozen were awarded 14 bars, whereas the record for the latter medal is seven bars (two recipients), while five men received six bars and 14 got five. The number of possible combinations of bars with the Naval General Service Medal is infinitely greater.

Sotheby's sale of military and naval campaign medals and decorations, on Thursday March 4, is undoubtedly one of the finest of this kind of material to come under the hammer for some time, and it includes 13 lots of the military medal and 16 lots of the naval medal. The wide range of estimates for these medals illustrates the factors governing the relative values of this series. The British practice of naming medals, with the name, rank, regiment or unit of the recipient impressed into the rim, means that each medal has to be considered individually.

The Military General Service Medal was restricted to land campaigns during the Peninsular War (1803-13), the American War (1812-14) and isolated actions in Egypt (1793), Java and the West Indies. The first lot in the sale has the bar for Egypt awarded to a Coldstream guardsman—one of 70 awards to this regiment. As the earliest of the bars for the military medal this tends to rate a premium, hence the estimate of £200-£220 for this item.

The best of the military medals in this sale are those with multiple bars. Lot 13 is the medal awarded by M. Bullivant of the 52nd Foot, with clasps for Corunna, Busaco, Fuentes D'Onor, Ciudad Rodrieo, Salamanca, Vittoria, Nivelle, Nive, Orthes and Toulouse. A total of 33 medals with 10 clasps was awarded to this regiment, so it is an unduly rare item, and its less than perfect condition explains the estimate of £400—about the same as a two-bar medal (Vittoria and Toulouse) which happens to be virtually in mint condition.

By contrast, the Naval General Service Medal was far more sparingly awarded. There are several instances of only one bar being awarded, and in seven out of the 231 bars there were no claimants at all, either through ignorance of the award or because, by 1847-48, they were dead.

The scarcer bars were those for "Boat Service." Altogether there were 55 bars of this type which were authorised for minor engagements involving ships' boats in which one or more officers were promoted as a result. The largest scale boat action was that which took place off New Orleans on December 14, 1814, resulting in the award of 214 bars; and the next most plentiful were those awarded for November 1 1809 (118) and November 23 1810 (65). Any of these "Boat Service" medals would be worth at least £500 today, but the value rises sharply in the case of the less common bars. Lot 23 is the medal awarded to George Tarplett of HMS Repulse for boat service on May 2, 1813. Only 48 bars were awarded, hence the estimate of £750-£800. Other medals in this sale have boat service bars for May 24 1814 (14 awarded) and June 27 1803 (only five issued), which are estimated at £1,200 and £1,600 respectively.

In five cases a bar for a boat action was awarded to only one man, and one of these medals is lot 28 in the sale. It bears the clasp for Trafalgar which is not a rarity but also the unique bar for boat service of May 6 1814 on Lake Ontario during the American War. James Wills served on HMS Prince at Trafalgar and aboard HMS Princess Charlotte. Unfortunately there are no muster rolls for the Great Lakes campaign, but his service at the storming of Oswego is documented from other sources. The medal is expected to fetch at least £2,000.

Golden age for gaspers

CIGARETTE CARDS
JANET MARSH

AS A child of the last golden age of cigarette cards, I could never comprehend how anyone was ever able to collect complete sets. Obligingly, in those days before Government Health Warnings, my father smoked quite heavily, and so kept me well supplied with cards. But led us to suppose that I was going along seriously with Player's "Film Stars—Third Series": by the time the changeover came, and the ten-packs contained instead "Modern Naval Craft."

In theory the sets could have been made up by swapping; but all my friends' fathers seemed to smoke Gallaghers or Wills, so all they had to offer in exchange was "Footballers in Action" or "Old Inns."

Another possibility of acquisition, of course, was to win cards in the playground championships. I wonder if the rules are still recorded anywhere: one game involved knocking over cards which were leaned up against the foot of the school yard wall; another was played on the hoop-la principle, shying cards to make them lie upon other cards set out flat.

Cards changed hands in this way in great numbers; but a term's use in playground games made them pretty unacceptable as collectors' items.

The playground fag-card championships were very much a boy's world; and a girl had to be peculiarly combative or richly endowed with clean cards to enter. I made my own entrée as a result of being given a huge box of vintage cards, some dating back to the 1920s and much coveted by other children for their exoticism. Some of them I still have: Ogdens' 1923 "Children of All Nations," for instance, was unsuitable for playing games, as the "children" were punched out so that they would stand up. The luxurious silk cards, too, were similarly saved from the depredations of the playground sports.

To return to the problem of making up sets I eventually discovered that, if you knew the proper channels, the cards could be bought brand new at fourpence for the complete set (or eightpence for the larger issues). For an extra penny or twopence you might also buy an album in which to mount the adhesive-backed cards. There was a special album for every set, with decorated pages and the letterpress from the back of the cards reprinted by the side of each one. Several decades too late, alas, I discover that to mount the cards in this way was seriously to impair their subsequent collector's value.

This piece of information, as well as much more of the essential lore of cartophily, comes from the newly published Complete Catalogue of British Cigarette Cards, compiled by the London Cigarette Card Company (Webb and Bower, £12.50). The London Cigarette Card Company was the first properly organised firm to deal solely in cigarette cards. It was founded 55 years ago by a Colonel Bagnall who coined the word "cartophily" and started a journal, Cigarette Card News, in 1933. Today the company is no longer in London; but reckons to hold a stock of more than 5m cards (some still dating from the Colonel's first investments in the twenties) at their premises at Station Road, Somerton, Somerset.

Cigarette cards and collectors were already well established before the hobby was set upon this sound commercial footing. The first cards seem to have originated in the U.S. in the 1870s, as stiffeners for the paper cigarette packets then in use. By the nineties the practice had spread to England, with most of the larger companies issuing lithographic cards, already often provided with descriptive letterpress on the verso. The idea of issuing cards in series also originated early on: beauties, royalty and Empire-builders were favourite subjects.

The period between 1900 and 1917, when war shortages temporarily stopped publication of cigarette cards, was the first golden age. Beauties, the Empire, travel and exploration and technological development (Wills' "Famous Inventions") were soon established as perennial favourites. World War I brought a spate of patriotic and propaganda subjects: conversely Wills' "Musical Celebrities" was revised in 1916 to exclude German composers.

The second Golden Age was the period between the two World Wars. At least 2,000 series were issued by well over three score British tobacco manufacturers. A popular series like Wills' 1936 "Railway Engines" could have a print run of 600m. The fine colour reproductions in the Cigarette Card Company's catalogue nostalgically recall a few favourite subjects: butterflies, birds and their eggs, flora and fauna, royalty and celebrities, film stars and variety artists. Sport figured large: there were innumerable series on cricket, football, racing, golf, lawn tennis.

Military and naval subjects returned to favour with the approach of World War II. A useful series of "Air Raid Precautions" was jointly published in 1938 in runs of millions, by five cigarette firms in combination; and may well, as the catalogue compilers point out, have saved many lives after 1939.

Production of cigarette cards ceased early in the war; and later revivals have been sporadic.

The catalogue lists the current London Cigarette Company's selling prices, which reveal how enthusiastic the collectors' market remains. Many 1930s sets can still be bought for as little as £3 complete; but some pre-1919 rarities cost £70-£100 per card. The highest list price is £375 for a card of a county cricket team issued by McDonald of Glasgow before World War I.

These are, of course, selling prices for cards in top condition.

Why cognac is best

WINE
EDMUND PENNING-ROWSELL

WITH SO MANY brandies available all round the world, one is entitled to ask what is so special about the one from the Charente area of France: cognac.

The short answer is situation and soil. The undulating countryside, with its chalk-lime soil and its temperate Atlantic climate produces the most natural brandy in the world; and when properly distilled and sufficiently aged in French oak, undoubtedly the finest. It differs from armagnac in being double-distilled in pot-stills, although that brandy of the Gers normally only single-distilled, is in part returning to double-distillation. Also, when honestly handled, cognac differs from most other brandies from outside France in not having vanilla or herbs or sweetening added to soften the asperities of young spirit.

Another vital factor, is the wine from which cognac is distilled: a poor thin white affair produced from the Italian Ugni Blanc grape, here Frenchified into the St-Emilion, although nothing to do with the Gironde town and district where no white wine at all is produced bearing the local appellation. The wine is low in strength—8 to 9 degrees is best, but it can go down to 6 and up to 11, which is too high and the wine may "burn" in the distillation. And it is acid, which is just what is wanted. Hotter climates may well produce too alcoholic wines.

However, it is not the case that fine cognac comes from everywhere in the twin departments of Charente and Charente Maritime. The nearer the sea, and some is produced on the off-shore islands, the rougher the brandy. This is the Bois Ordinaires district, and further inland is the Bon Bois, where rather better cognac is produced from its roughly 20,000 hectares and better still from the 40,000 hectares. Fins Bois, which encircles the three classic districts of Grande Champagne (c.13,000 hectare), Petite Champagne (16,000 hectare) and Borderies (4,000 hectare). The increase in quality in these zones is closely related to the higher proportion of chalk in the soil. Although the districts are carefully delimited, the transition in quality and style is not abrupt. Jarnac, second capital of cognac (Courvoisier, Delamain and Hine) is in the Grande Champagne area, but the Fins Bois area comes very close and thereabouts produces cognac as good as its neighbour.

The firms whose brands we see in Britain are likely to buy their brandies from the three inner districts and the better parts of the Fins Bois, where, as elsewhere, they will have contractual or traditional links with the growers. Both Hennessy and Rémy Martin have "private" co-operatives, on which they rely for much of their distillation wine. There is an independent co-operative too, united under the name Unicoop, with 3,500 members and selling its cognac under the brand name of Prince Hubert de Polignac, which may seem a rather aristocratic name for a co-operative, but they acquired it in 1947.

Nothing is more important to the success of a good cognac than the oak, mostly Limousin, but also Troncais from the Allier. Both Hennessy and Rémy Martin own splendid cooperages in the outskirts of Cognac, where they supply not only their own needs and other firms in the area, but now have a brisk business with the U.S. The axed, not sawn, staves have to stay three to four years out in the open to lose some of their noxious tannins, but when coopered have that delicious odour of oak that is so seductive not only in Cognac, but also in the white wines of Burgundy and California. A 60-gallon cask costs FFr 1,200 plus 17.6 per cent VAT, and Rémy Martin need 6,000 a year. Larger firms like Martell and Hennessy will require even more. But the oak has to be carefully watched. Over much tannin extracted from the new wood will give the cognac too strong a flavour; yet that natural vanilla taste in fairly old, fine cognac derives from the oak. Sometimes, especially in imitations of the real thing, vanilla essense is used, as well as oak chips to provide the oak taste. To avoid over-oaking every cask in the merchants' cellars is tasted once a year, and if necessary the brandy is racked off into old casks.

As with other wines and spirits on which a fixed rate of tax is applied regardless of quality, the higher quality cognacs provide better value than the basic three-stars. For there is more older, finer spirit in the VSOP and superior grades such as Hine and Rémy Martin VSOP, Martell Cordon Bleu and, going up the scale Hennessy XO. No precise age dates can be given nowadays to these symbols, but the top qualities will contain some 50-year-old cognac, which at that age has about reached its apogee. The youngest brandy is that age in Hennessy's recently issued Paradis—named after the cellar in which their ancient cognacs are kept. (I tasted the small cask of 1815: very concentrated in aroma and flavour). Not surprisingly such cognacs are very expensive, but Delamain's Pale and Dry, which sells for about £16, claims to be 25-years-old.

What does one look for in a fine cognac? First, obviously, it should be clear in colour and depth of tint is no recommendation, which is why the P in VSOP stands—or stood—for Pale.

In any case, colour is equalised in the brands, by use of caramel, to avoid the complaints of those who might think that variation denoted deterioration. Then, the bouquet should be forthcoming, but not too spirity, slightly sweet but not sweetened. The flavour should be round but not "loaded," and the after-taste in the mouth should be clean.

For my taste, the finest cognac is that rarity today: "early-landed." This very clearly means a cognac landed here within one or two years of distillation and matured, untopped-up, in cask for about 20 years.

It is quite distinct from what is often advertised as "old-landed" which has spent quite a number of years in the Charente area before being shipped and then left to mature here. It is the early years here that lead to that softness, elegance and often below-normal strength which is its mark. The big houses more or less gave it up by 1914, but Hine and Delamain still ship a few casks apiece when the demand comes from traditional wine merchants prepared, for the sake of an old tradition, to put aside a cask or two for 20 years or so. For owing to evaporation and high interest rates there can be no real profit on it.

Fine cognac should not be drunk from glasses apparently recently vacated by gold-fish. Instead it is best served in tulip-shaped glasses tall enough to allow a reasonable measure to develop its aroma, but small enough to allow one hand to encompass it in order to provide a gentle warmth that brings out that aroma. They are sold by Berry Bros. and Rudd for £2.05-

TENNIS
JOHN BARRETT

Tackling tantrums on court

McEnroe in full flood

WE SHOULD not be surprised that sport has become more expressive and at times more violent. After all, it merely reflects the attitudes of the society in which it operates. Thanks largely to television, sport exists in a worldwide society where respect for authority has diminished. It is a world that feeds on sensation.

Despite the growing tendency of performers to challenge authority, most international sports still retain a bright image because their rules deal quickly and efficiently with anyone who oversteps the mark. Whoever heard of an American baseball player arguing about a "strike," or a rugby player demanding that the referee be changed in mid match, or two golfers almost coming to blows over an interpretation of the rules?

In every case the culprit's participation in the game would end immediately. Yet on the international men's tennis circuit incidents like these are commonplace. Regularly players challenge line decisions; frequently they demand a change of linesman or umpire; occasionally—as most recently in the Chicago clash between Jimmy Connors and McEnroe, they threaten physical assault. It is important here to acknowledge that discipline is not a problem in the well-ordered women's game. Incidents are few and far between.

Everyone agrees that we must restore to tennis the image that was once the epitome of good manners. But before suggesting how, we should examine why the present state of affairs has arisen.

The reasons are complex—bound up in the rapid growth of a professional sport that is still governed largely by amateurs and controlled by managers, sponsors, impresarios and lawyers. Fundamental to the problem is the rule book which has become too crowded and too complicated. In voting to quash the fine imposed by Wimbledon on McEnroe, Harry Hopman asked why the existing rules had not been invoked to eliminate him from the tournament on the sport. It is a good question.

Consider the chain of command at a Grand Prix tournament. First, the player can challenge a line decision. After several debatable decision he can ask to have the official replaced: he can ask the umpire to send for the referee to decide upon a point of tennis law: he can call for the Grand Prix supervisor, to interpret the rules of the Grand Prix. The opportunities here for an unscrupulous player to exploit the rules are legion. Consider next the implementation of the disciplinary code. Here, there has been an improvement. Instead of the eight steps that led to eventual disqualification last year—four time penalties and four behaviour offences—there are now only three for all offences. First comes a warning then a point penalty, next a game penalty, and finally default.

But, as if to apologise for this much needed improvement, the Men's International Tennis Council, who administer the rules of the Grand Prix, have allowed an appeal by a defaulted player to the supervisor whose decision shall be final. Presumably the logic here is to relieve the umpire of undue pressure. It is misplaced logic.

As long as loopholes exist they will be exploited. This has been proved beyond doubt by the farcical situation over the experimental provision for the umpire to over-rule a linesman. The intention behind this change was admirable but an over-zealous umpire can undermine everyone's confidence and a weak umpire can be intimidated. This is an experiment that has failed.

Similarly the 30-second time rule between points has become a tool of delay, a subtle disruption to concentration. Clearly there is something dreadfully wrong when an admirably sporting and fair-minded player like Peter McNamara can admit "... as soon as I realised what was happening to me I had to do the same, just to let him know that he couldn't lean on me."

Match control in tennis does pose special problems not present in other sports. Where else does it take 13 officials to look after two players? Numbers alone make it unlikely that we shall see completely professional officials.

Then there is the problem of consistency. At a large tournament with many outside courts like Wimbledon it is almost impossible to ensure consistency of discipline or adequate supervision. In any professional sport the players are subjected to immense pressures associated with prize money, media attention and the sort of public acclaim that once was the preserve of rock stars. Also tennis is a hard physical contest, where there is no scope to relieve pent up emotions as there is in rugby or boxing. Thus to prevent a player from slamming a ball harmlessly into the screens or the net is to deny a natural reflex response. That is what led to McEnroe's capitulation from a winning position against Connors at Wembley last November.

How then, to eliminate from the game the obscenities, the vulgar gestures the abuse of officials and the general disrespect for authority?

The only solution is to simplify the rules, and remove the offenders immediately from the scene. Fines alone are meaningless. Full authority must be vested in the umpire, to force the only rule of tennis which is effective against those who argue and delay—"play shall be continuous." One warning followed by disqualification would have a magical effect as would the same treatment for "bringing the game into disrepute."

There need be no 30-second rule, no 90-second rule at change overs and no appeals to the referee—let alone the supervisor who is superfluous. The umpire should not be able to change line decisions but should have the discretion to change a linesman.

All of this would place great responsibility upon the shoulders of the umpire. It would take courage to default a seeded player whose presence is important to the sponsor, and the promoter. However, no player can be allowed to be bigger than the game.

Almost inevitably, umpires would have to become a professional body. The game can afford it.

In fact, the game cannot afford not to take these basic actions if it is to retain its credibility with a public that has become disenchanted with the cynical disregard for enforcing proper standards of behaviour.

SNOW REPORTS

EUROPE

Arosa (Sw.)	160-210 cm	Powder on good base.
Davos (Sw.)	140-250 cm	Ideal skiing conditions.
St Moritz (Sw.)	70-100 cm	Worn patches on lower slopes.
Saas Fee (Sw.)	60-160 cm	All pistes worn.
Verbier (Sw.)	70-230 cm	Slush on south facing slopes.
Niederau (Aus.)	80-210 cm	Icy patches on all runs.
Kitzbuhel (Aus.)	85-200 cm	Spring snow off-piste.
Etaine (Fr.)	120-420 cm	Lower pistes worn and hard.
Isola (Fr.)	160-270 cm	South slopes icy.
La Plagne (Fr.)	165-315 cm	Soft on lower slopes.
Val d'Isere (Fr.)	145-230 cm	Lower slopes slushy.
Courmayeur (It.)	126-250 cm	Good skiing on upper slopes.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col.)	29- 68 ins	Packed powder. Most runs open.
Hunter (NY)	24-100 ins	Packed powder. All runs open.
Park City (Ut.)	62- 99 ins	Packed powder. All runs open.
Sugarbush (Vt.)	20- 56 ins	Powder. All runs open.
Squaw Val. (Cal.)	60-120 ins	Packed powder. All runs open.
Stowe (Vt.)	40- 85 ins	Hard pack. All runs open.

Figures indicate snow depth at top and bottom stations.

RACING
DOMINIC WIGAN

A SCHWEPPES field of 30—the biggest since 32 were accounted for by Persian War back in 1968—will line up at Newbury this afternoon and the race again promises to be the season's most dramatic handicap hurdle.

For many the most absorbing aspect will be the fate of those leading candidates for the champion hurdle, Heighlin, Ekhalco and Gay Chance as they attempt to consolidate their Cheltenham claims from positions at the head of the handicap.

Both the champion hurdle market and the ante post business on today's handicap suggest that Ekhalco should be able to take advantage of a 5 lbs concession from Heighlin who he will meet on level terms at the Festival next month.

The Fisher six-year-old may well be able to make his weight pay here against his Berkshire hurdle conqueror, but there are several lower down the handicap who will, I think, have the measure of them both. Two better win and place prospects look to be the Gifford five-year-old Homeson and Susan Morris's Holemoor Star. The first named, a Bustino horse, went down by only four length to Heighlin on level terms in the Oteley Hurdle last Saturday and now reopposes on 26 lbs better terms; while Holemoor Star has been going from strength to strength.

Although Holemoor Star has gone up 20 lbs in the handicap since being allocated 8 st 7 lbs in the original weights it could be that the Maystreak gelding will be good enough to notch his hat trick. Impressive in beating Brighton Marina by 2½ lengths at Taunton a week after his dismal showing on the Devon track Holemoor Star won with even more aplomb at Kempton two hours before Homeson's sound effort. Travelling well from the outset in the Spring Handicap Martin O'Halloran's mount cruised through to take control at the final flight and won.

Unless O'Halloran resorts to the exaggerated waiting tactics which lost him his job with Peter Cundell Holemoor Star is likely to justify each way support in a race which offers a quarter of the odds a place the first four home.

NEWBURY
1.30 Spanish Bay
2.00 News King
2.40 Holemoor Star***
3.10 Diamond Edge
3.40 Midnight Court*
4.10 Most Fun

AYR
1.30 Always Lampac
2.00 Miss Diaward
2.30 Little Bay
4.00 Chantilly

CATTERICK
3.15 Compton Lad
4.15 Hotwave

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Saturday February 13 1982

Financing the Pentagon

IT IS many years now since Mr Charles Wilson set a permanent benchmark in corporate arrogance when he proclaimed "What's good for General Motors is good for America;" but his spirit seems to live on at a national level. At a recent meeting sponsored by the American Enterprise Institute, another senior figure from the motor industry, Mr William Niskanen, explained why the Administration is so relaxed about its enormous planned Budget deficit.

Wall Street, said Mr Niskanen—who has left Ford to join President Reagan's Council of Economic Advisers — is too insular in its thinking. It might be difficult for the Government to borrow $100bn from the pool of U.S. savings, but America borrows in a world market, tapping the savings of much thriftier nations. He saw little danger, during a recession, of financial crowding out on a world scale.

Targets

Mr Niskanen cannot be faulted on analysis; but it is just because he is right that the U.S. Budget is arousing such indignation in Europe. Sir Geoffrey Howe did not go through the agonies of a harsh Budget last year in order to make room in the markets for rising U.S. borrowing; it was not for this cause that President Mitterrand shelved some of his electoral spending commitments, or that Chancellor Schmidt offended his left-wing supporters. They all hoped to secure lower interest rates, and a revival of investment. They find it intolerable that President Reagan should pre-empt so much of the world's financial capital to finance defence expenditure without reneging on his tax promises.

To be sure, the U.S. deficit is not driving up interest rates at the moment. With a sharp recession in the U.S. itself, and little buoyancy anywhere, the monetary authorities are generally encouraging rates to drift down. This is true even in the U.S., where the unyielding Mr Paul Volcker has proclaimed monetary targets which many on Wall Street regard as too restrictive.

Warned

However, Mr Volcker has also warned as emphatically as any European minister could wish that the U.S. deficit leaves little room for any real economic revival. This seems to be true on a world scale. $100bn may look a modest figure when measured against U.S. national income, as apologists for U.S. policies have argued, but it is no longer small in an economy in which private savings are abnormally low. On a world scale, it is a very large number—it may well prove substantially bigger than the OPEC surplus, which has been such a cause of disruption in recent years. Large imbalances mean international trouble.

Of course the President's proposals do not seem much more popular in Congress than they are internationally; but the reason is different. The Budget includes proposals for a range of painful welfare cuts, designed to prevent the deficit from rising still further, to perhaps $150bn on the optimistic assumptions about growth and interest rates which the Administration makes, and perhaps $200bn on more realistic ones. These cuts are highly unpopular with Congressmen facing re-election this year, and may be blocked.

Critics

The U.S. defence budget also has its vocal critics in Congress, and may be trimmed; but unfortunately these two forms of opposition to the President's policies cancel out in financial terms. The Budget passed by Congress may differ widely from that proposed by the President, but nobody expects the bottom line to be much more acceptable. U.S. political observers expect that it will be 1983 before the economic facts of life bully the President into the same kind of painful decisions that the UK faced last year—or which Mr Garrett FitzGerald is trying to persuade Irish electors to face this week. Given the fact that the pain from U.S. policy errors is so widely diffused over the world, it could take even longer.

Escape route

If the President will not yield in time, will Mr Volcker? The widespread criticism of the Fed in the U.S., actively encouraged by the Administration, keeps that possibility alive; but ironically the fear of an inflationary option is at present helping to keep Wall Street demoralised, U.S. rates high and the dollar strong.

A second possible escape route lies in European action to impede the operations of the international capital market, through which the pain is transmitted. This idea—essentially Mr Edward Heath's "ring fence"—is now being urged by the French, and is plausible enough to revive thought of possible exchange controls. Indeed, this caused a brief flurry in the sterling market yesterday. However, there would be severe technical as well as political problems, and markets are on the whole resigned to the fact that we cannot escape a world dominated by U.S. decisions. Sir Freddie Laker, an early victim of the dollar's rise, may possibly have found a personal escape route; but for the rest of us, it is likely to take longer.

LONRHO AND LAKER

Sir Freddie finds a friend —and his friend has money

By Alan Friedman

THIS MORNING Sir Freddie Laker has woken up a new man. He has a friend, and his friend has money.

A week ago today Sir Freddie's empire was in ruins, but now the old ebullience is back.

If the ambitious plans hurriedly being laid actually materialise, Sir Freddie could soon be back in the air as chief executive of a "People's Airline." This potential comeback, which may yet prove too good to be true, owes everything to another free-wheeling entrepreneur, Mr Roland "Tiny" Rowland, chief executive of Lonrho.

It was Rowland, a friend of Sir Freddie for more than 25 years, who telephoned last Sunday offering to help. It is Rowland who is working on the financial package needed to launch the new airline.

Sir Freddie and Tiny Rowland took time yesterday morning to elaborate on their plans and aspirations. In Lonrho's sixth-floor executive offices the two men even allowed themselves to speculate about buying a part of British Airways after achieving the initial goal of a new airline with a London Stock Exchange quotation.

It all began last Sunday, two days after Laker Airways called in the receivers with nearly £240m of outstanding debt and no hope of further bank support. "When I heard that Freddie Laker had gone broke, I rang him," said Rowland.

It was Rowland who telephoned offering help

Meanwhile, the Orion Royal Bank, a small subsidiary of the Royal Bank of Canada, announced to the world that it was trying to rescue Laker Airways. What did Rowland think of the attempt? "There wasn't a hope in hell of Orion producing a solution," he said.

As soon as Orion announced its failure on Monday evening Sir Freddie met Rowland at his solicitor's office in the City. Rowland spoke first. "I said 'Hello Freddie, let's sort it out'."

There was nothing new about this sort of exercise for the controversial Tiny Rowland. "You ask Jim Slater. He is a friend of mine. We helped Jim Slater to pay off a £1m loan. He made money and we did and we said goodbye."

But Rowland has no plans to say "goodbye" to Sir Freddie. And Sir Freddie confirmed that yesterday: "We are talking about an airline forever."

But wasn't that the hope for the last Laker airline? "Yes," sighed a weary Sir Freddie, "yes it was, but I kept it going for 16 years." Then, looking tired and drawn, Sir Freddie leaned forward and commented: "I've lost everything else, but the only redeeming feature left is that in the 34 years I operated I didn't ever lose a passenger. My safety record is unbeatable."

Stringent safety records notwithstanding, an airline must also be solvent. Rowland stressed yesterday that his team of accountants from Peat Marwick Mitchell had worked all night on Wednesday and had produced a report which "encouraged us to continue."

"Before we put up a penny we are going to be absolutely certain the company is going to be viable. We don't plunge or rush into things," declared Rowland.

Sir Freddie agreed that under his verbal agreement with Lonrho the new airline would only "get off the ground" if it looked as though it would be profitable and if the licences could be obtained to fly as a scheduled operator on the North Atlantic route.

Sir Freddie claims to have been very impressed with the solicitors, accountants, financial experts and other management staff at Lonrho. On Thursday evening he said: "I've learned more in the past 48 hours than I did in 34 years."

> 'This is a complete reversal for me . . . I have conceded the point that when it comes to an airline this size, I can no longer be a one-man operation'

Indeed, Sir Freddie looked and sounded yesterday morning a good deal more clear-headed than he seemed three days before Laker Airways collapsed, when to the astonishment of his bankers he declared his financial troubles to be over and said he was "flying high."

He is still the same Sir Freddie however, lavishing superlative praise on his friends, particularly Lonrho: "They are incredible. They are very efficient. I like their style, their friendly open-door style. If anyone thinks the Lonrho management is a bit thin on the ground they ought to come round here for 48 hours."

Sir Freddie's mention of Lonrho's efficiency and management strength may prove timely. Within the next few days Lonrho is set to approach the Department of Trade to ask for a second turn at bidding for the House of Fraser stores group.

In a report published on December 9 last year by the Monopolies and Mergers Commission, the commission took the view that Lonrho's bid was "against the public interest."

Among its comments, the commission said: "We believe that in view of the lack of depth of relevant experience in Lonrho, temporary and perhaps more permanent damage to House of Fraser's efficiency would result from the merger."

Sir Freddie says simply: "Any organisation that has £1bn of capital employed and has a turnover of £2.5bn is obviously good to have as a partner."

The funds will be available, added Rowland. Finance would not be a problem in putting together an airline with an initial five McDonnell Douglas DC-10s. The key question is whether the Civil Aviation Authority will grant licences.

What about the image of Lonrho, however, or that of its creator and driving force, Rowland himself? "My image doesn't come into this. I am totally unfussed. I'm comfortably off. I don't belong to any clubs. I don't go to dinner parties."

Reminded that Mr Edward Heath, the former Conservative Prime Minister, had once branded Lonrho the "unacceptable face of capitalism," Rowland sat back and shrugged. "What has happened to Mr Heath? He called us the unacceptable face of capitalism. He's disappeared. He's not even yesterday's man. He carries absolutely no weight. We are still here in the City and we will be in 25 years' time."

Whether the future for Lonrho will include an international airline business with Sir Freddie at the helm will depend on the CAA. Both Sir Freddie and Tiny Rowland seem confident that if they can secure the all important CAA licences their vision will materialise.

Sir Freddie, for one, has few doubts. He is reborn—and he owes it all to Rowland. "This is a complete reversal for me," says Sir Freddie. "I have conceded the point that when it comes to an airline this size, I can no longer be a one-man operation."

Both have fought governments and bureaucracies

As for Rowland, he is "incredible," according to Sir Freddie. When television cameras began rolling on Thursday night and microphones were thrust in the faces of the two men, Rowland declared that even if the new airline did not succeed, he would personally "foot the bill" if necessary for all those passengers who had booked Laker tickets up to last Friday.

"That's one of the most generous offers I've ever heard," exclaimed Sir Freddie, clapping his hands together.

It was the sort of offer which might have come from either Rowland or Sir Freddie. The two entrepreneurs have much in common. They have both battled governments and bureaucracies with mixed success. They are both anti-Establishment mavericks, willing to spit in the wind when it suits them.

They are both bold and innovative men. And both ooze self-confidence. As Tiny Rowland put it: "If I felt I couldn't be of use to Sir Freddie and to Lonrho Limited, then quite clearly I wouldn't have picked up the telephone."

MAJOR OBSTACLES STILL TO COME

"THE People's Airline" is going to have to negotiate obstacles of no small dimension before it gets off the ground. Behind the bravado and publicity about the Lonrho-Laker alliance lie half a dozen major hurdles.

The most difficult concerns the granting of Civil Aviation Authority licences. Without the approval of the CAA the enterprise is doomed. In normal circumstances the CAA examines, among other criteria, the financial backing and management record of the prospective airline seeking a licence.

The CAA will have to be satisfied that Lonrho has not not only the initial financial muscle but a willingness to provide guarantees of support for the airline.

The CAA will also have to be assured that in spite of Laker Airways' plunge into receivership, Sir Freddie and his colleagues are able to provide the management needed for a new airline.

Once the licences are secured Sir Freddie believes the rest will be achievable. But a complex financial package will still have to be negotiated. It will need to include a satisfactory agreement with the U.S. Export-Import Bank's receiver, Mr Guy Parsons, on the purchase or leasing of the five McDonnell Douglas DC-10s with which Lonrho-Laker want to start the airline. The Exim-bank-led syndicate provided $228m of loans in 1980 to help Laker buy the aircraft.

The financial package will also have to take in a cash injection from Lonrho of maybe £15m to £20m. And the airline will have to bid for offices and hangars at Gatwick Airport; these are now held by the Laker receivers.

If the company progresses as planned, the Stock Exchange will have to approve a listing. After that the "People's Airline" must attract both institutional and private investors.

Once the licences, finance and Stock Exchange quotation are achieved the airline will still need customers. A wave of publicity may initially attract passengers, but the airline will not survive unless it maintains demand.

To succeed as Skytrain did the airline will have to count on low-fare, high volume business. It will almost certainly meet with cut-throat competition from Laker's traditional enemies, the major airlines.

The final obstacle which Sir Freddie and Tiny Rowland face may seem trivial, but it has brought down larger enterprises than this. It is the question of whether two such strong personalities can work together successfully over time.

Letters to the Editor

Laker

From Mr B. Payne

Sir,—The collapse of Laker pinpoints immorality of nationalisation.

British Airways lost £140m in 1980-81 and is forecasting a loss of £100m for 1981-82. It is increasing its indebtedness to the Government by £100m to pay for redundancies. Employees of Laker can expect only the statutory minimum redundancy payment.

No wonder Mrs Thatcher is embarrassed. We should all be banging our heads in shame that we, as voters and citizens, have supported and condoned governments and attitudes which have allowed this patently immoral situation to develop.

B. Payne.
191, *Forest Road,*
Tunbridge Wells, Kent.

Aviation

From Dr J. Salomon

Sir,—In the wake of the tragic crash of the Laker Air company I find it completely incomprehensible that our Government should not have taken some steps to, at least, underwrite the credit facilities to enable this very efficient airline to continue in operation. I find this particularly ironic and sad in view of the fact that one of the major factors in Sir Freddie's downfall was the price slashing by British Airways—in concert with PanAm and TWA—at a time when it was losing millions, nay hundreds of millions, of pounds of taxpayers' money. In other words, you and I have subsidised BA's desperate attempt to "Bring down Laker."

Well, it succeeded, with our tax support and now we will all pay for it once again as the fares are raised with no Laker competition to be faced. What a set of double standards from our so-called free enterprise, market economy Prime Minister and Government.

I write as a very disillusioned member of the Tory Party.

(Dr) Julian M. Salomon.
8, *Crescent Road,*
Wokingham,
Berkshire.

Expenses

From Mr W. Hobhouse

Sir,—Last week I spent four nights in a 3-star hotel in Manchester. The standard of accommodation, service and catering was comfortable but in no way luxurious. For this privilege, my company paid £40 per night: or an annual equivalent (for 50 weeks) of £8,000.

Unless room occupancy is far lower or the capital cost of building hotels far higher than one would expect, this seems to me a clear case of market pricing; which we all seem to accept. The standard reaction seems to be "it reduces the company's tax liability, so why not?" At a time when corporate profitability is under severe pressure this argument is wholly invalid—no profit means no tax liability.

Since executive expenses must be controlled in the same way as all other overhead expenditure, there is clearly room in the market for a low cost operator offering cheaper accommodation.

W. Hobhouse.
1, *Parsonage Lane,*
Market Lavington, Wilts.

Interaction

From Professor F. Height

Sir,—I would be glad to answer Mr John Dingle's questions (February 4) about the teaching of engineering and art.

When the serious teaching of industrial design began in this country after the war, it was recognised that industrial designers, representing art in industry, needed a level of technical competence in order to operate in collaboration with engineers and now all polytechnic design courses have studies in materials and manufacturing technology. And we now have a joint two-year course with the department of mechanical engineering at Imperial College.

Our problem is not so much the marriage of art and engineering as the establishment of an understanding of the commercial potential of design by economic analysts, marketing consultants, accountants and the senior management and Boards of directors of British companies.

Frank Height (Professor),
School of Industrial Design,
Royal College of Art,
Kensington Gore, SW7.

Beer

From the Chief Executive, MKR Holdings

Sir,—I was interested to read Gareth Griffiths' report (February 4) of Mr Derek Palmar's statement where he outlined the difficulties the brewing industry faces largely as a result of the 10 per cent downturn in beer sales during the past two years.

While the problems that brewing faces are similar to those of many other industries during the past two years of the downturn of the economy, the solutions proposed — "Maintaining respectable profitability through realistic pricing is the only way an industry can remain healthy"—are quite different. In the brewing industry selling prices have been increased at the same rate as inflation. Could it be that the reduction in volume is partly attributable to the substantial price increases in beer during this period?

Would it not be possible for the breweries to follow the example of other industries and look to reduce their costs through the use of the most up to date technology which is currently available but which, in many cases, is simply not being used?

I believe it possible that unless the brewing industry manages to keep selling prices in check, that the industry could, during this current financial climate, be faced with a total reduction in demand of one-third, as happened in the 1928-33 period.

J. Hamilton.
6, *Park Terrace,*
Worcester Park,
Surrey.

Temptation

From Mr D. Main

Sir,—Max Wilkinson, your Economics Correspondent, reports (February 5) that the Chancellor of the Exchequer might be able to reduce taxes in his forthcoming budget by up to £2bn and still retain a borrowing target of £9.5bn.

When I read the many proposals being put to the Chancellor for reducing taxes, I have the feeling that most of them will be spread so thinly that their effect will be much less direct and not so beneficial in economic terms as their supporters would have us believe.

The single, most effective improvement which would be felt throughout the country, both corporately and by individuals, would be a significant reduction in interest rates. Such a move could be assisted greatly if the Chancellor would use his apparent "surplus of £2bn" to reduce the government borrowing requirement and ignore the temptation of relatively minor tax reductions.

Donald A. Main.
Mahogany,
Chipperfield,
Hertfordshire

Surcharge

From Mr Michael Noar

Sir,—I was surprised to read Professor Alan Budd's support for cutting the National Insurance Surcharge (FT, Feb 3).

He concedes that "there is a short-term problem of excessive labour costs and firms are likely to try to solve this problem not only by [illegible]ng wage claims but also by shedding labour." Surely this is a necessary precondition to a soundly based recovery.

If, as he suggests, we try to prevent this process by giving what amounts to a general employment subsidy, the opportunity to bring our labour costs into line with our competitors will have been lost. Existing manning levels and labour practices will be carried forward into the recovery and any increased spending power will go once again to imports rather than to home industry.

I also feel that Professor Budd is wrong to suggest that the only options open to the Chancellor are personal tax cuts, help to companies or reduced PSBR.

There is a fourth option in the shape of increased public sector capital investment. This would in my view be a more certain way of creating new employment, it would have less risk of fuelling renewed inflation and would also have great immediate and long-term benefits for the private sector.

M. D. Noar,
Mill House,
Hollingbourne, Kent.

Swords

From Mr C. Estrup

Sir, — When encountering devious mathematical schemes, such as diagonal concealment of the true length of a package, as suggested by Mr Upton (February 1), the postal authorities are able to resort to another restriction: the sum of the length and the largest circumference, measured in the perpendicular plane, must not exceed two metres.

Christian Estrup.
PO Box 218,
Horsens, Denmark.

Ulster

From Mr J. Andrews

Sir,—Sir John Biggs-Davison (February 8) asserts the need for an upper tier of local government and rejects the need for devolved government in Northern Ireland. This is his lesson of Stormont. The lesson of direct rule, however, is that Northern Ireland does require a devolved Government on economic grounds. The economy of the province is in ruins. A devolved Government containing Ministers with local knowledge and interest could attract jobs to the province. Stormont Ministers proved successful in creating jobs in the 1960s. This is the positive lesson of Stormont.

Mr Prior's proposals for "rolling devolution" must be welcomed as a step towards Government with minority participation. This would help the province with both its security and economic problems.

John W. H. Andrews,
Pembroke College, Cambridge.

Secretaries

From Mrs C. Spicer

Sir,—I strongly resent the implications in the "trailer" advertisements culminating in the quarter-page effort (February 4), from CPT (UK) that word processing is something that has to be sold to secretaries. My experience over the past three years has been quite the opposite. In the main, secretaries, both senior and junior, welcome any machine which removes the most boring part of their job, ie the retyping of letters, reports, accounts, etc, which the average boss has great difficulty in getting right the first time. In fact, if some bright manufacturer could programme their word processor to make coffee then secretaries would beat a path to their door!

Let us remove once and for all the belief that today's secretaries are latter-day Luddites. The truth of the matter is that managers do not want word processing, they know that by releasing their secretaries from the mundane repetitive tasks there is a grave danger that others will actually see what every secretary knows, that the job their bosses are being paid to do is being done, quietly, by them.

(Mrs) C. Spicer,
55 The Grove, Linton,
Cambridgeshire.

Ivo Dawnay and John Lloyd explain why Mr Murdoch has issued an ultimatum to his staff at New Printing House Square

The Times—back to the brink again

WHY IS there once more a crisis at Times Newspapers, and how serious is it?

Nn question. It is serious. Times Newspapers are costing Mr Rupert Murdoch £15m a year and present a danger to the "old" members of News Internatinnal group, the Sun and the News of the World. The group's money spinner, the Sun, shines a little less brightly than it did. It had to drop its price from 12p to 10p for two months last year as the 10p Daily Star ate into its circulatinn: its bingo campaign in the second half of last year has proved very costly. The City would not be surprised by a half-year loss to December 1981 (the company's reporting year runs June to

A small upturn since winter's darkest days

June), and would be surprised by more than a small profit on the full year.

Last November, at the AGM of his Australian group, News Corporation, Mr Murdoch predicted that he would maintain net profits worldwide. But as analysts point out, recent statements have been less bullish.

There has been a small upturn since the darkest days of winter. The Sun, pursued by the Star, has been able to raise its prices to 14p and its heaviest bingo advertising costs are behind it: the Australian TV and magazine interests continue strong and the New York Daily Post—which also runs bingo—appears to be winning some key circulation and advertising battles with the Daily News, forcing the latter to drop an *afternoon edition.*

But the British interests must pay their own way and that way looks costly. The Sun and the *News of the World will* move to Wapping over the next two years and will wish to bring in the newest of new technology. That will leave the Bouverie Street headquarters empty and valuable but nowhere near valuable enough *to cover new* plant costs.

Mr Murdoch must do three things at Times Newspapers if it is to cease to be on him the burden it has been to its previous proprietors. He must increase circulation, increase advertising and cut costs, particularly labour costs.

Mr Harold Evans, The Times editor, believes all three can be achieved. His circulation target is 350,000 copies a day, and he already has increased circulation from an average 279,000 in the period July-December 1980 to 298,000 in the same period last year. He has told Times staff he is firmly in pursuit of Telegraph readers seeking a change.

What was the cause of the latest crisis?

Ironically, the opening of the present hostilities between management and unions began on Armistice Day—November 11—last year. Mr Rupert Murdoch, the new proprietor called a "summit" nf the five print unions' general secretaries and, in a bluntly frank speech, warned that losses running at £13m a year meant drastic manning cuts were essential.

The meeting followed an inconclusive suspension of publication of the Sunday Times in September after repeated disruptions of production over manning and pay levels.

Anticipating that this summit would fail, the management also began carefully to prepare a new strategy. The atmosphere nf crisis generated by the closure threat was carefully planned before Christmas.

Last Mnnday, this surfaced in the form of Mr Murdoch's "ultimatum" in a letter to staff. The company's finances were so desperate, it said, that the whole of News International —*including the Sun and the* News of the World—was now losing money, leaving 6,000 jobs at risk. Six hundred jobs at *Times Newspapers had* to go "within days rather than weeks" to prevent closure.

Why hadn't overmanning been irnned ont when Murdoch took over the papers in February?

The simple answer, the *management claims, is* that no one really knew the extent of the problem. Murdoch's bid depended on speed and the negotiations had to be carried nut within days.

The only sources of information on manning levels were Thomson's figures and the company's 54 union bargaining units themselves. Management *succeeded in negotiating* 563 job losses among full-time staff and 100 part-time nr shift staff. However, the company claims that some of these cuts proved to be pyrrhic victories.

Of the 220 redundancies sought among the 800 members of the National Society of Operative Printers, Graphical and *Media Personnel (Natsopa),* 130 were agreed. But as 110 "vacancies were" available only 20 real cuts were actually made.

The company also claims that an agreement to reduce National Graphical Association (NGA) composing-room staff from 372 to 188 has been badly held up as a consequence of delays in introducing new cold-type computer setting technology to replace the old-fashioned "hot-metal" system, *still used* in most of Fleet Street. Because nf this it is willing to delay the cuts already agreed with the NGA. But it says it cannot delay the other cuts on members of Natsopa.

Will the unions agree?

Nobody doubts that Murdoch means what he says. But there is a major question mark over *whether a settlement can be* reached by the deadline for redundancies of 10 am next Thursday.

Union chapels most affected by the cuts—in particular the Natsopa clerical staff and the Natsopa *machine assistants*—remain deeply sceptical that redundancies can be found in time.

One area for compromise could be an agreement to the cuts in principle, but with an extension to the time-scale. But in talks so far company negotiators have stuck firmly to their position that the deadline runs out next week.

However, Mr Arthur Brittenden, corporate relations director of News International, told the Financial Times this week: "I would *think* that if negotiations were at a crucial yet hopeful stage, I cannot imagine that for the sake nf a day or two they would be cut off. But equally if the unions say let's keep talking and not commit ourselves, *there would be a cut* off."

So far, leaders of the clerical chapels, where 370 job cuts are sought from a total clerical staff of about 670, believe that nnly about 100 would go voluntarily.

So how is profitability going to be achieved?

Despite the recent closure threat, Mr Murdoch's management team has repeatedly emphasised that profitability could be round the corner. A popular theory among some union officials is that Mr Murdoch intends to transfer the editorial and administrative *staffs* of *all four* News International papers to Gray's Inn Road, leaving the valuable News of the Wnrld and Sun building in Bouverie Street free fnr sale *or* redevelnpment.

This move would allow the centralisation of advertising staff (due to be cut by over half on The Times and Sunday Times) and accounting operations. Printing of all papers would be carried out at the parent company's Wapping plant, currently under construction.

Mr Murdoch himself prophesied as recently as October last year that the Sunday Times *could be making reasonable* profits shortly. "I don't think it is unreasonable to expect Times Newspapers to break even in the year to *June 1983,"* he *said.*

The bulk of the needed extra revenue is expected tn come from the Sunday Times, which is due to raise its cover price by 5p to 40p shortly, and has already increased advertising rates.

Has Mr Murdoch observed the conditions imposed npon him by Mr John Biffen, the Trade Secretary, on *his* takeover, aimed at protecting the editorial independence of the papers?

Concern has been expressed on this front. The Sunday Times journalists made an abortive *effort to meet Mr Biffen* on *the* sacking last month of Mr Ron Hall, then joint deputy editor of the Sunday Times, and the demotion in effect of Mr Hugo Young the other deputy editor, to number three in the editorial hierarchy to make way for Mr Brian McArthur.

The journalists alleged that while these dispositions had been *formally made* by the paper's editor, Mr Frank Giles, they were done on the direct commands of Mr Murdoch.

A number of those closely involved are *certain this* was the case. Mr Giles has emphatically denied it.

The Biffen undertakings state that "subject only to any annual budget for editorial space and expenditure, the editor shall retain control over the appointment, disposition and dismissal of journalists on his newspaper." Some journalists argue that although the letter of this agreement has not been breached, the spirit was always bound to prove impossible *to keep.*

"Ruper is an old-fashioned newspaper proprietor," said a senior member of The Times staff. "He does not want to own newspapers to meet the Prime Minister or get a front seat at *Wimbledon*. He just loves newspapers, and it was always unrealistic to expect him to leave them alone." A Sunday Times colleague says: "*Do we* have an nvermighty proprietor? The answer must be yes."

And what happens if the papers are closed?

Mr Mnrdoch's categorical statement that he is not prepared tn sell the titles has been widely qnestioned by sceptics who remember Lord Thomson giving the same assurance.

Undoubtedly there are still possible buyers for The Times waiting in the wings though whether they would have either the necessary money or the essential credibility is open to debate.

For many Times Newspapers employees Mr Murdoch holds an important trump card. If he shnts the paper or closes it as a result of a strike he has only to pay the statutory minimum redundancy pay of one week's wages for each year of service. Only the journalists have a specific agreement which involves larger payments.

Simple closure would at least leave open the option of opening again at some later date, though it is widely acknowledged that the *1978-79 shut*-down badly damaged advertiser confidence.

In either case Mr Brittenden believes that Mr Murdoch's stand has left him with little room for manoeuvre—particularly in the light of the precedent he would set if he caved in.

"He has said to me so many *times* that yon must never *say* you are going to do a thing if you don't really mean it," Mr Brittenden recalls. "He thinks *it* has been one of the tragedies of the industry that management have said things and later backed off."

Glyn Genin/Philip Thompson

NATIONAL DAILIES' NET SALES FIGURES

	July-Dec. 1981	% change over July-Dec. 1980
Sun	4.14m	+10.6
Daily Mirror	3.41m	— 5.1
Daily Express	2.13m	— 3.1
Daily Mail	1.89m	— 3.1
Daily Star	1.51m	+45.8
Daily Telegraph	1.34m	— 6.3
Guardian	0.40m	+ 5.0
The Times	0.30m	+ 6.7
Financial Times	0.20m	+ 0.6

Source: Audit Bureau of Circulation

Weekend Brief

A 'Kipper' time for London Taxis

IN SPITE of the rail strikes, this is the time of year the London taxi trade calls the kipper season—flat and gutless.

London's 11,500 cabbies expect the period between Christmas and the first flocks of tourists tn be quiet, even when times are good. Recession has muted it further —and now, perhaps surprisingly to some people, the rail strikes have cut business by a further 10 per cent.

David Barnes, editor of the Licensed Taxi Drivers' Association newspaper, Taxi, has been out cab driving himself to gauge the effects.

"A few nights have been disastrous," he reports. "It's in the evening that business has been most badly hit. The West End theatre and restaurant trade is well down because people knnw that they've got to be home by midnight before a strike day if they're not going to get *stuck somewhere.*

Rail strikes have cut business by a further 10 per cent

"By 11.30 pm, even on a Saturday night, Piccadilly Circus is just about deserted."

The effects are uneven. Lunch-time trade has also become quieter, simply because of the smaller numbers at work.

Rush-hour trade, in financial terms at least, has held up.

"Come the rush hour, instead of driving *people* tn Waterloo or the other stations, we're now taking them out to places like Banstead and Purley," says Barnes.

And Geoffrey Kaley, managing director of London-wide Radio Taxis, says: "It is our work pattern which has changed—the net result is that there are fewer people riding but for longer distances.

It is the radio-linked cabs, rather than those operated by individuals, which seem to be *faring best.* Since the strikes began they have picked up a considerable amount of company contract business, under which they take a cab-full of employees, with the company paying a monthly bill. A shuttle service into London for international telephone operators provides a typical example.

"There is a possibility that we'll keep at least some of the business when the strikes are over," suggests Kaley. "People are starting to learn that four people riding a cab long-distance is not much more expensive than British Rail." (The Consumers' Association has already put forward a formal taxi-sharing scheme to the Home Office.)

David Barnes' overall verdict on the strikes is that "they're an annoyance rather than a disaster. Provided the recession gets no worse and there's the normal seasonal pick-up, the strikes could go on *ad infinitum.*"

The report Wall Street daren't miss

NOTHING short of presidential assassinations seems to have the power to shock the financial world like the U.S. weekly money supply report put out by the Federal Reserve. To the layman it might be an ironmonger's price list for all the excitement it exudes. But for anyone who deals in dollars and interest rates, changes in M1 can mean millions of dollars made or lost.

The money supply report was released yesterday afternoon at exactly 4.10 pm, as it is every Friday, a date everyone on Wall Street just has to keep whatever *his* weekend plans. (The Fed used to put them out on Thursday which was a *lot more* popular). The news comes clattering across the Reuter and Dow Jones newswires. But where do Reuter and Dow Jones get it from?

The answer is a small, windowless and sparsley furnished room *behind the granite* facade of the Federal Reserve Bank of New York, a couple of blocks north of Wall Street. Starting at 3.30 pm every Friday, The New York Fed holds a Press conference there which, necessarily, has to be tightly controlled because the information released is so sensitive. Only bona fide financial journalists are admitted, and each is served with a piece of paper laying out the ground rules nn embargoes and "*legitimate* topics for questioning and discussion."

First, journalists are handed a stack of papers giving the Fed's banking statistics for the week, and a Fed spokesman points out the highlights, like how much money commercial banks had to borrow from the Fed tn keep their balance sheets straight, and the "float" in the banking system: none of it thrilling stuff, but all grist to the bankers' mill.

That takes about half an hour. Then, just after 4 pm, with a Fed nfficial standing firmly by the door, the money supply report is dished out. A novice sees nothing but a confusing jumble of statistics, but the expert immediately spots the crucial figure: M1, and its change nver the week. The Fed spokesman may nffer a comment to explain sharp changes in the figures, but usually he lets them speak for themselves. At about 4.08 pm, the official at the door steps back, and the news agency reporters dash for phones on tables in the lobby to relay the news to their offices. Even then, the agencies are supposed *to hold the* information back for another minute or so until exactly 4.10 before transmitting it to trading rooms round Wall Street where people are waiting with bated breath.

But they do not always. Mr Peter Bakstansky, a former newspaper editor who heads the New York Fed's press department says agencies occasionally jump the gun and get the news out a minute or so early. "They usually have some excuse like *we pushed the wrong button,"* he said. On the whole, though, the system seems to work fairly well. In recent years there have *been no instances* of money supply "leaks." Some unkind critics have even said that if the Fed did as good a job controlling the money supply as it does controlling the weekly news release, all our troubles would be over.

Call for better breakfasts

I WOULDN'T for the world disclose the name of the small hotel where I stay when the engine-drivers of British Rail prevent me from going home. Not because it is specially comfortable, nr has particularly amiable service; but because the nvernight rate is £10.50 for bed and breakfast. Yes, breakfast.

When I follow my fortunes into the regions, I stay at somewhere rather more ambitinus than this, somewhere with four stars in the reference books.

A four-star room, with a built-in bathroom and an intrinsic television set and a glossy magazine telling me what's going nn in the neighbourhood, costs me somewhere around £30 a night. Bed and breakfast? No, no, bed and television and bath. Breakfast is extra.

There will be two sorts of breakfast. There will be a traditional British breakfast, *beginning with orange* juice, continuing with bacon and eggs, with sausages or tomatoes or nther decorations, plus the necessary toast, butter, marmalade and coffee. Alternatively there will be a Continental breakfast. If you are lucky, you may have orange juice with this too, but more probably it will consist of coffee, rolls, butter and marmalade.

Naturally, when I say coffee I include the choice of tea, and when I say marmalade, I include honey or even *black*currant jam.

The traditional breakfast will add anything between £3.50 to £4.50 to the bill. The Continental breakfast goes for about £2.75.

I've eaten breakfast in most of the nicest parts nf the Continent. I've eaten breakfast in the *Villa Mauresque*, with Somerset Maugham sleeping a little way along the passage.

Even here, I reckon, that my *orange pressée*, croissants and coffee could not have set the kitchen back more than the equivalent nf 25p in today's terms.

I think we are due for a return to the old tradition of bed and breakfast. When you are paying the vast sums you need for most hntel rooms, where service doesn't even extend so far as turning down your bed in many cases, the extra pence for eggs, bacon and bread could surely be incorporated. To find that you have to fork out almost a fiver for your breakfast is something like blackmail.

But even an *inclusive* breakfast in a modern hotel poses its problems. The butter comes in *slice-sized* pats wrapped up in foil. The marmalade (or in the case I'm thinking of, the honey, strawberry jam or blackcurrant jam) comes in tiny flat pots from which you peel off the top.

Where do you then put the foil and the pots? None of the etiquette books I know of give any hint of the polite procedure. I *suppose* one-slice pots of marmalade are not polite to them. Yet even in the four-star specials, they still turn up. Should we put the used back with the unused, or on the side of our plates, or in the ash*trays? If this* is to be the table-manners of the future, we ought to have guidance.

Contributors

John Griffiths

David Lascelles

B. A. Young

Economic Diary

TODAY: Social Democratic Party constitutional convention at Kensington Town Hall (to Feb. 14). Start of French nationalisation programme.

TOMORROW: Aslef train drivers strike.

MONDAY: Provisional index of industrial production for December. EEC finance meeting in Brussels. European Parliament *in session in Strasbourg* (to Feb. 19). EEC agriculture meeting in Brussels (to Feb. 16). Lords debate science and government and tidal power from the Severn Estuary. Leyland Vehicles' unions discuss dispute. General strike in Belgium called by socialist unions. Sir Leo Pliatzky speaks at the Institute of Fiscal Studies seminar on Public Expenditure Policy and Management at Regent Palace Hotel, W1.

TUESDAY: Aslef train drivers *strike. British Rail board meets.* Lords debate personal savings and housing markets. Institute of Directors seminar on Overseas Projects: Securing contracts for British business at 116 Pall Mall, SW1. Top level meeting in Washington to discuss Euro-U.S. relations, Pnland and defence.

WEDNESDAY: Index of average earnings for December. Indices of basic rates of wages for January. CBI Council monthly meeting. IATA fares *meeting in* Geneva. Public Accounts Committee on Non-competitive contracts pricing and post-costing: funding of purchases of defence equipment.

THURSDAY: UK banks' asset and liabilities and the money stock (mid-January). London dollar and sterling certificates of deposit (mid-January). Capital expenditure by the manufacturing distributive and service industries (fourth quarter provisional). Manufacturers' and distributors' stocks (fourth quarter provisional). Aslef train drivers strike. Irish general election. Mrs Margaret Thatcher *is interviewed live on ITV's TV* Eye programme.

FRIDAY: Preliminary estimate of gross domestic product based on output data for fourth quarter.

Development costs hit Brooke Tool

ABNORMALLY HIGH development costs charged to the profit and loss account have resulted in Brooke Tool Engineering (Holdings) falling £114,500 into the red at the pre-tax level for the year to September 30 1981, compared with a profit of £640,700 previously.

The final dividend is omitted (2.05p) leaving the payment for the year at 0.75p net (3.5p).

The directors say that subsequent to the last AGM when they said they would need to realign the company's manufacturing capacity permanently in view of the long-term requirements of the markets it serves, they felt it necessary to make a substantial provision related to the group's investment in machine tool manufacturing following the recent closure of the Hayes factory at Leeds.

Two other factories were closed elsewhere, terminating certain unprofitable areas in other parts of the group, the directors add.

These were the major charges which constituted extraordinary debits of £892,900 (credits of £156,900), which also included goodwill written off amounting to £220,700 arising mainly from the acquisition of Provincial Cities Trust.

The taxable loss was struck after interest charges of £134,200 (£183,000). Tax took £8,300 (£100,200) and after the extraordinary debit, the attributable loss emerged at £1.02m, against a surplus of £697,400. Turnover slipped from £9.87m to £9.16m.

By midyear taxable profits had fallen from last time's £320,000 to £56,000 after deducting reorganisation and development costs of £200,000.

• comment

Those days of ambitious, "back-door," rights issues at Brooke Tool are long gone. The shares are now trading below par after yesterday's 5½p fall to 23p and the group is deeply in loss. Development costs have risen from the previous minimal levels to some £250,000 and these have been charged above the line. Below the line, Brooke has provided £893,000 as the final cost of the foreshadowed "realignment" of its standard machine tool manufacturing capacity. It has also written off goodwill against the earlier Provincial Cities Trust acquisition. The realignment is timely given that the machine tool division in its old form probably lost some £350,000 before tax and interest last year. It should leave Brooke on a far higher technical platform with a new CNC machining centre and an NC milling centre due for imminent launch. Allowing for the two recent acquisitions, the sales split will change from the previous 50 per cent dependence on machine tools to broad equality between machine tools, cutting tools and mining equipment. The prospects for the two latter divisions remain tolerably strong while exports rose last year from £1.8m to £3m and the balance sheet is still quite healthy with 47 per cent gearing. But the rating is probably right to remain highly cautious until the massive machine tool surplus in the merchants' pipeline shows tangible signs of improvement.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Brooke Tool	nil	—	2.05	0.75	3.5
Hamilton Oil (GB) ...int	1‡	April 2	—	1	—
Plastic Constructions	1.26	April 2	1.83	2.1	2.67
Second Alliance ...int	2.25	April 2	2.25	—	9.15
Wagon Finance	1.69	April 3	1.69	2.31	2.31

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ As forecast in July 1981 offer for sale. Preliminary results to be announced on April 20.

Wagon Finance lower year end

AS PREDICTED at mid-term further branch openings adversely affected profits of Wagon Finance Corporation, banker, for the 12 months ending December 1981.

For the period profits at the pre-tax level fell back from £1.27m to £860,003 on lower turnover of £15.24m, compared with £16.4m.

By half way profits had advanced from £404,908 to £575,101 but in their interim statement the directors revealed that the company had opened a further eight branches since the half year end and warned that this would have an adverse effect on profits in the short term.

Mr S. M. de Bartolome, chairman, now states that it is estimated that the opening of further branches adversely affected second half profits by approximately £425,000. He points out however that as a result of the openings the company achieved a marginal increase for the year in new business financed, despite the decline reported at midyear, and held the carry forward of unearned finance charges at £10.56m and the gross instalment credit balances at £60.69m.

As anticipated, arrears continued to mount as a result of rising unemployment and short time working and led to a substantial increase in the company's provisions for bad and doubtful debts.

The chairman says that although the arrears gradually levelled off in the last few weeks of 1981 the trend has again been upwards in the first few weeks of the current year. He believes this was a direct result of the disruption arising from the severe weather conditions and hopes the worst is now behind the company.

Looking to the future Mr de Bartolome comments that although the company's profits will continue to be adversely affected by recent expansion in the network until 1983, the directors are confident that the company is not only soundly based to withstand the current recession but, just as important, is now in a stronger position to take maximum advantage when the recession ends and competitive pressures ease.

Although stated earnings per 25p share declined from 2.43p to 1.76p for the year a final dividend of 1.6875p maintains the net total at 2.3125p.

The pre-tax surplus was struck after interest charges of £6.15m (£7.97m). Tax took £449,657 (£701,701), leaving a retained balance of £4.59m, against £4.48m.

On a CCA basis the taxable profit swings into a loss of £239,594 (£102,943).

The group's land and buildings were professionally valued at year end and showed a surplus of £1.51m.

Efficiency benefits at Futura

THE BOARD of Futura Holdings (footwear maker and distributor) is expecting profits for 1981 to be in the region of £225,000, compared with £148,438 in the previous year.

The advance stems entirely from increased efficiency, and has been achieved against a background of rising costs which are outside the company's control, cheap imports and intense competition.

In the current year the order book is reasonable under the difficult trading conditions, the board reports.

At the halfway mark the company had cut its loss from £157,349 to £87,275 and stepped up its interim dividend from 1.05p to 1.15p. The final for 1980 was 1.54p.

Plastic Constructions downturn

WEAK HOME demand helped push down taxable profits of Plastic Constructions from £415,226 to £183,343 in the year to September 30 1981, on turnover down at £9.06m compared with £10.9m.

At the half-year stage this group, which designs and installs anti-pollution and corrosion-resistant equipment, was already behind with pre-tax profits of £61,000 (£106,000) and turnover of £4.72m (£5.17m)—the figures excluded results of the overseas associated company.

With a fall in the stated earnings per 10p share from 5.51p to 4.13p, the final net dividend is being cut from 1.8303p to 1.264p, making a total of 2.1p (2.6663p). The directors say they hope to return to the usual dividend level as soon as possible.

Mr H. Aron, chairman, says while home demand was weak exports increased five-fold. Costs were contained and the full benefits of improved profitability should be realised in the current year, he says.

"We shall improve profitability on the present turnover level and we are in an excellent position to respond to further recovery from the recession."

During the year under review the associated company produced increased profits of £49,133 (£15,361) and his level is being maintained.

There was a definite trend towards the sophisticated use of reinforced plastics, Mr Aron says. With the group's long experience in this field, it is involved in forward planning and construction of new projects which are directing it to a number of new industries where the directors foresee an excellent potential.

After a tax credit of £16,545 (£148,706 charge) and exchange losses of £4,574 (£5,934) the attributable profits emerged at £195,314 (£288,136). Last year there was also an extraordinary credit of £27,550.

Current cost adjustments reduced the taxable profits to £59,343.

Second Alliance

THE NET income available to ordinary shareholders of the Second Alliance Trust rose from £761,000 to £823,000 in the first half to January 31 1982, and net earnings per 25p share are stated higher at 4.29p compared with 3.96p.

The interim dividend is being maintained at 2.25p. Last year a total of 9.15p was paid out of attributable income of £1.79m (£1.94m). The directors estimate that the earnings per share should exceed 9.5p (9.34p) for the full year.

At January 31 the net asset value per share was 345.7p against 349.4p at July 31 1981. Gross income before interest and expenses for the six months came to £1.51m (£1.39m).

Enhanced trading base at Alexanders Discount

THE ADVANCE in 1981 profits has enhanced the trading base of Alexanders Discount and will allow a larger portfolio to be carried should circumstances be considered suitable, says Mr Daniel Meinertzhagen, chairman, in his annual statement.

For the year under review, profits after rebate and tax and making a transfer to contingency reserve rose by £500,000 to £1.75m.

During the 12 months, yields on short dated gilts showed increasing volatility, and Mr Meinertzhagen reports that the board maintained a cautious attitude towards the gilt edged market throughout the period.

He says the company's book obviously varied through the year and there was an even greater need than before to adjust its size and shape to meet the swiftly changing conditions.

The company's holding of treasury bills has been consistently lower than in recent years, reflecting the reduced amounts offered for tender each week and the relatively poor yields to be obtained.

Moreover, under the new system, the attraction of treasury bills for liquidity purposes has been largely diminished by the extension of the range of commercial paper eligible for rediscount at the Bank of England.

The balance sheet at December 31 1981 shows British Government treasury bill at £41.5m (£86.46m). Negotiable certificates of deposit in sterling totalled £78.37m (£36.74m), while those in U.S. dollars were reduced from £1.3m to nil. British Government securities amounted to £3.95m (£373,000).

The AGM of the company will be held at 1 St Swithin's Lane, EC, on March 8 at noon.

Reynolds Diversified share trading halted

THE Stock Exchange yesterday suddenly prohibited trading in one of the market's favourite "penny stock punts," Reynolds Diversified Corporation, when it learnt that the company was not qualified to trade under any of the exchange's rules.

Reynolds, a Nevada-based company with gold mining interests in Australia and oil and gas concessions in Ajman in the United Arab Emirates, has been around the London market since 1975. Yesterday morning its shares were changing hands at 1½p-2p which puts a value of £7.8m on the company.

It has some 7,000 shareholders, over 5.5m of them in the UK. Two jobbers have made markets in the 390m 1 cent shares in issue, believing the company could be traded under the Stock Exchange's rules for companies listed abroad (Rule 163 1c) or reputably traded in their own country (163 1g).

However, Reynolds has no listing anywhere in the world, nor is it traded in a regular market in the U.S. Once this fact became known to the Stock Exchange it called in Mr Lynne Brooks, the chairman, and told him it would prohibit trading.

Mr Brooks, who became chairman of Reynolds some nine months ago as a result of a take-over, said that he was taking "immediate steps" to get Reynolds traded in the American over-the-counter market by OTC Net Incorporated, a member of the National Association of Securities Dealers.

This would take about 14 days he said, and the Stock Exchange had agreed that once traded on the OTC it would restore the trading facility in London.

The prohibition on trading comes at an embarassing time for hte new management which is in the throes of trying to produce the company's first ever set of audited accounts.

ISSUE NEWS

First Castle Electronics £2.6m rights

First Castle Electronics is raising £2.56m gross by way of a rights issue of 8.55m shares, on the basis of one new share at 30p for each share held on February 23.

The company estimates that pre-tax profits for the year to January 1982 were not less than £0.8m compared with £0.53m in the previous year, and the directors intend to recommend a final dividend of 1.282p, making a total of 2.15p (1.79p). They also forecast a total dividend of 1.75p for 1983 on the enlarged capital.

The rights issue is not underwritten and despite the deep discount in the rights price, the shares gained 3p yesterday to 92p.

First Castle's original business was a music shop chain and a piano renovating operation but in 1978 it acquired BRM Electronics, which makes ground test equipment for the aircraft industry and circuitry for the flight control systems in the Jaguar, Tornado and Boeing 747 aircraft. It also supplies test equipment for British Telecom, the UK Atomic Energy Authority, Thorn EMI and GEC.

The company is using the £2.5m net proceeds from the rights issue to help maintain its expansion programme. A number of acquisitions have been made, including the purchases in December of Ormandy and Stollery Electronic Components and Able Mouldings, for a combined total of cash and shares worth £0.4m.

Ormandy and Stollery is likely to be expanded into the north of England, which would require further investment in plant, machinery and personnel.

Connor Finance Corporation is taking up 1.3m of its entitlement of 1.79m shares (21 per cent) in the rights issue.

An extraordinary general meeting is to be held on March 8 to approve an increase in authorised capital. Dealings in the new shares are expected to begin the next day and the final date for acceptances is March 29. The new shares will not rank for the final dividend in respect of 1981-82.

Brokers are Tilling and Co.

• comment

First Castle attracted wide attention in 1980 when it was one of the top performing shares of the year in the under £5m market capitalisation category, reaching a peak of 79p. It surged ahead again in 1981 to 129p before falling back recently. The key to the company's very fast profit growth is the BRM Electronics company acquired in 1978, which provides a variety of highly skilled services as a sub-contractor to electronics manufacturers, such as GEC. The estimated profit for 1981-82 represents a 50 per cent increase over the previous year and there is talk of a similar rise in the current year. That suggests a prospective ex-rights fully taxed p/e of nearly 18 which seems a bit ahead of the game. The prospective yield is 4.1 per cent.

Hodgson Martin sets up new risk capital fund

A NEW risk capital fund, the Northern Venture Capital Syndicate (NVC), is being formed by the Edinburgh based investment manager Hodgson Martin, to invest in new businesses under the Government's business start-up scheme.

NVC intends to direct funds into companies operating in Scotland and the north of England, generally avoiding investments where there would be a heavy commitment to research or development expenditure.

NVC is an approved investment fund under the 1981 Finance Act. It is aimed at higher-rate tax payers, as relief on investments made through NVC is available at the investor's marginal rate (up to 75 per cent). Since the maximum on which this relief is available is £10,000 Hodgson Martin has made that the upper limit for subscriptions. The minimum is £2,000.

Hodgson Martin aims to raise at least £0.75m; unless it is able to attract that amount NVC will not go ahead with its investment plans. If the necessary subscriptions are forthcoming, it is intended to invest all the funds by April 5, 1983, after which any uninvested funds will be returned to subscribers.

As in the case of Electra Risk Capital, which raised £8.6m last November, NVC's managers will receive the interest on uninvested funds by way of commission. NVC also follows the precedent of another pioneering fund, Basildon, in levying a 7 per cent front-end charge.

Hodgson Martin is best known for its quoted investment trust, New Darien, which was launched in January 1981.

The offer, which closes on April 8, is being made through Bell, Lawrie, MacGregor, stockbrokers, of Edinburgh.

Energy Finance calls for another £1.65m

Energy Finance and General Trust, the investment holding company chaired by Mr Dennis Barkway, is raising £1.65m gross by way of a one-for-two rights issue of 4.125m shares.

The issue is being made at 40p per share. The market price closed up 2p to 42p yesterday before the issue was announced.

Mr John Dallas, an executive director of EFG's operating company, said the pricing reflected the group's desire to bring in new institutional shareholders.

"If we had done it at a deep discount, none of our existing shareholders would have renounced their rights."

He said the issue had been sub-underwritten by a number of institutions, "including some of our own shareholders."

The issue, the group's second in little over a year, is being made because the board believes it is wise to be in a position to take advantage of favourable opportunities without recourse to external resources.

EFG will also continue a selective policy of active investment in oil and gas and other activities both in the UK and overseas and seeks to form a financial association with an equivalent organisation in the U.S., in order to participate in an area of significant potential where Energy Finance has already a sizeable asset base.

The issue is on the basis of one new share for every two shares or £1.20 nominal of convertible unsecured loan stock on January 29. The new shares will not rank for dividends in respect of the year to March 1982.

Dealings in the new shares will begin on February 16 and the final date for acceptances is March 8. The issue has been underwritten by brokers Montagu, Loebl Stanley and Co.

BIDS AND DEALS

Pleasurama paying £4.6m for London casino

BY DUNCAN CAMPBELL-SMITH

Mr Abdel Wahab Galadari, the United Arab Emirates businessman who gambled away over £7m in English casinos between 1970 and 1980, has avoided a legal confrontation with the Gaming Board of Great Britain over his London casino interests by selling them to Pleasurama, the entertainment and leisure group.

Mr Galadari is the sole shareholder in Lydiashourne Limited, a private company which owns and operates Maxim's Casino Club in Kensington, London. He bought the shares in October 1980. The Gaming Board objected to the renewal of the club's licence in view of Mr Galadari's foreign status and lack of gaming industry experience.

The courts upheld the board's objection in December but deferred final judgment until February 16. The board agreed not to oppose the adjournment on the understanding that Mr Galadari would sell his shares and resign from the company before that date. It indicated that it would oppose further adjournment and press for the club's closure on February 16 if no sale had taken place by then.

With just four days to go, a £4.6m cash sale has been agreed with Pleasurama which will be conditional, inter alia, on the approval of the Gaming Board.

The price is subject to a number of potential adjustments. Any excess of current assets over liabilities will be paid for at completion date. The two parties will also share equally in any pre-tax profits over £2.5m (up to a £10m ceiling) earned in the year after completion. Any shortfall below £2.5m, on the other hand, will be deducted from the purchase price.

Maxim's earned £1.6m pre-tax in the year to March 31, 1981 and £2.1m in the nine months to January 3, 1982. It is one of five casinos in London—including the Playboy and Clermont now owned by Trident Television—which face possible closure in the coming months.

Pleasurama, however, yesterday appeared confident of a future for Maxim's. It stressed that there has been "no criticism of the management or conduct of the club." The purchase was seen by Pleasurama as "a significant step in the company's development."

Pleasurama already derives about 80 per cent of its profits from gaming. It operates seven provincial casinos, three of which it opened last year. It also owns a 25 per cent stake in the Ritz Casino and Casanova Club, two of the five London casinos owned by Grand Metropolitan's Mecca subsidiary.

Pleasurama's shares closed up 28p at 368p, a new high for 1981-82.

COLONIAL SECS./UTD. NEWSPAPERS

The independent directors and financial advisers of the Colonial Securities Trust say that the offer for the company by United Newspapers remains fair and reasonable despite a net asset value of 71.7p per 5p share on February 9 1982.

As referred to in the offer document certain shareholders of Colonial had undertaken to accept the offer subject to the net asset value not exceeding 70.5p on that date. Certain shareholders who had given undertakings to accept about 35 per cent of the shares — although now released from their undertaking—have either already accepted or indicated their continuing intention to accept.

CRODA INTL.

On February 11 L. Messel and Co., brokers to Croda International, on behalf of an associate bought 50,000 Croda ordinary shares at 81½p.

NO PROBE

The proposed acquisition by McCain Foods of Pas Limited is not to be referred to the Monopolies and Mergers Commission.

Directors sell 25.74% stake in Inter-City Inv.

THE DIRECTORS of Inter-City Investment Group, a loss-making investment, textiles and wholesale distribution company, have sold a 25.74 per cent stake in the company to a Lichtenstein-based financial investment group.

The directors and their families—who had a total shareholding of 32.13 per cent according to the last annual accounts for 1980—have sold 2.4m shares to Metan Investment Establishment at a price of 10p each.

The shares jumped 15½p to 34½p on the London Stock Exchange yesterday, valuing the company at £3.2m and the Metan holding at £828,000.

Inter-City, which showed a turnround from a profit of £167,000 to a loss of £493,000 in 1980, said the purchaser of the shares has the financial resources and international trading connections which will be available to the company to enable the board to pursue its plans for expansion.

The purchaser has notified the company that it has no intention of further increasing its holding.

Mr Joseph Harris, Inter-City's chairman, said yesterday that the directors thought it would be for the benefit of the company as a whole to sell the shares to a company with the resources to assist the group. He said that a capital injection from Metan would be discussed.

BERKELEY HAMBRO

Town and City Properties announces that acceptances of its offer for the preference stock of Berkeley Hambro Property have been received in respect of 781,268 units (representing 94.7 per cent of that issued). The offer remains open and Town and City intends to acquire compulsorily the outstanding balance.

BOWMAKER

Lloyds and Scottish has completed the acquisition of Bowmaker from C. T. Bowring.

STRONG & FISHER DISPOSAL

Strong and Fisher (Holdings) has sold half of its investment of 210,000 ordinary shares (24 per cent) in G. L. Bowron and Company of Christchurch, New Zealand for a net cash consideration of £461,000.

Strong and Fisher will now be interested in 12 per cent of the ordinary shares of G. L. Bowron. The cost of the 12 per cent sold was £85,000 and the book value was £341,000—including retained profits of £256,100 — which was included in the consolidated accounts of Strong and Fisher at July 3 1981.

The share of 12 per cent of the results after tax for the 18 months of G. L. Bowron included in the consolidated results of Strong and Fisher for the 53 weeks ended July 3 1981 was £49,300.

SHEFFIELD BRICK

For £90,500 cash, Sheffield Brick Group has purchased certain of the assets of Denis Waring and Company of Jermyn Street. Waring trades in architectural ironmongery in the UK and abroad.

Results due next week

On Friday, Lloyds Bank leads off the series of preliminary results from the clearers, and estimates of its pre-tax profits range around £380m, compared with £289.9m in 1980. Lloyds Bank International has already reported an 87 per cent rise in profits to £120.6m in its year to September and the group will have the benefit of consolidation of Lloyds and Scottish as a subsidiary rather than an associate for much of the year. Also, growth of loan demand from both the personal and corporate sectors is believed to have picked up slightly in the second half. The interim dividend was raised 15 per cent to 8.625p and a similar rise for the final would make it about 11p.

The market is looking for about £19m pre-tax from Dalgety when it reports its interim figures on Tuesday, against £16.2m for the six months to December, 1980. Much of the improvement is thought to have come from frozen food in the U.S. Price rises have not damaged volume and there have been reductions in overheads. On the malting side too, margins have been picking up in the export trade. In Canada the performance has been less good and the lumber business suffered from a six-week strike. The Australian agricultural side has suffered a volume decline, in the wake of the recent drought. Dalgety's debt/equity ratio is not thought to have fallen from 90 per cent at the year end, and interest payments will be higher in the first half. Profits for the year will largely depend on the effects of rationalisation in Spillers' animal feeds business. At the moment £48m pre-tax is the popular estimate.

Preliminary results from Birmid Qualcast, due on Wednesday for the year ended last October, are expected to show a loss at the pre-tax level of between £1.3m and £2.5m, against a profit of £0.2m. Since there was a first-half loss of £1.8m, this means at least some analysts expect a small second-half profit. All agree that 1982 should bring a more substantial recovery. Improvement at this stage is largely pinned on loss elimination; a real advance depends on volume gains in the foundries division which is highly operationally geared. The lawn mower division remains heavily dependent on the weather and the condition of the homeowner's budget, but heating should continue to trade profitably through the current year. No more than another token dividend can be expected this time.

Among other results due next week are preliminary figures from Bath and Portland and Gillett Brothers Discount, both on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Adams and Gibbon	Thursday	1.25	2.5	1.25
Bank Leumi (UK)	Monday	3.15	7.0	3.15
Bath and Portland Group	Wednesday	1.0	1.0	2.0
Birmid Qualcast	Wednesday	1.5	—	0.1
Blake and Scull Holdings	Monday	1.25	1.5	1.25
Foreign and Colonial Investment Trust	Wednesday	0.625	1.22	0.625
Gillett Brothers Discount	Wednesday	7.0	10.71	7.0
Goode Durrant and Murray Group	Thursday	—	0.75	—
Hadland (John) Holdings	Wednesday	—	—	0.83
Kennedy Brookes	Friday	—	—	—
Lloyds Bank	Friday	7.5	9.6	8.625
Metal Bulletin	Thursday	—	—	2.0
Newbold and Burton Holdings	Thursday	1.4	2.38	1.4
Pentland Investment Trust	Tuesday	1.5	4.8	1.5
Romney Trust	Friday	1.3	3.1	1.3
Scottish Eastern Investment Trust	Monday	1.5	1.75	1.5
Tace	Friday	0.85	—	—
Temple Bar Investment Trust	Monday	2.5	5.2	2.5
Tribune Investment Trust	Thursday	0.8	1.9	0.8
Trust of Property Shares	Thursday	—	0.2	—

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Temple Bar Investment Trust	Monday	2.5	5.2	2.5
United States Debenture Corporation	Wednesday	2.0	3.58	2.0
West Coast & Texas Regional Inv. Trust	Monday	—	1.3	—
Whittingham (William) Holdings	Thursday	2.25	4.5	2.25
INTERIM DIVIDENDS				
Apex Properties	Monday	0.7	1.3	
Dalgety	Tuesday	11.0	11.0	
Parkfield Foundries	Tuesday	0.35	0.525	
Ransom (William)	Thursday	1.5	4.175	
Reliance Knitwear Group	Thursday	0.77	0.77	
Throgmorton Secured Growth Trust	Friday	0.6125	1.9625	
United Real Property Trust	Wednesday	1.25	4.75	
Walshams	Friday	3.75	6.25	
Webb (Joseph)	Tuesday	0.11935	0.33164	
INTERIM FIGURES				
Copson (F.)	Monday			
Equiou	Monday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue.

SHARE STAKES

Ductile Steels—On February 9 1982 Caparo Industries acquired 115,000 ordinary, total holding now 2,715,000 ordinary (20.9 per cent).

Norton and Wright Group—Scottish American Investment Company purchased a further 40,000 ordinary on February 3 1982. Holding now 482,000 (8.58 per cent).

Dominion and General Trust—On February 9 1982 London and Manchester Assurance acquired 201,200 ordinary shares. London and Manchester Group now has an interest in 1,011,910 ordinary shares (24.09 per cent).

Triplevest—As a result of the recent purchase of 70,000 capital shares the Merchant Navy Officers Pension Fund is the beneficial owner of 1,583,500 capital shares (26.39 per cent of that class).

Highgate Optical and Industrial—The following disposals have been made by directors: R. A. A. Windsor-Clive 63,066 shares; Mrs M. A. Windsor-Clive 11,311; R. A. A. Windsor-Clive and others as a trustee 19,347; I. N. Rankin 184,883. R. J. L. Philipps or the Earl of Plymouth Estates Company no longer have any interest of over 5 per cent individually in the company. All the sales were completed at 40p.

The Burton Group — Trustees of the Burton Group employees profit sharing scheme sold 7,688 ordinary shares.

Manson Finance Trust — Mrs L. Goldie, wife of Mr E. E. Goldie, director, sold 20,000 ordinary shares.

Energy Capital Development Corporation — Energy Capital has disposed of its holding of 717,424 shares common stock and 620,000 warrants in Energy Capital Development Corporation for US$358,712 in cash.

London Shop Property Trust—Eagle Star Insurance no longer has a notifiable interest in London Shop Property Trust.

F. Pratt Engineering — Mr L. M. James sold 10,000 ordinary shares on December 11 and 25,000 ordinary shares on December 17, 1981. The shares were in his own beneficial ownership. The combined holdings of L. M. James and Maurice James Industries after the above sales are reduced to less than 5 per cent of the ordinary shares.

Howard and Wyndham — Mr Amos Bridgman has recently purchased a further 25,000 ordinary. Total holdings now 260,000 ordinary, 245,000 "A" ordinary.

Associated Fisheries—Eastern Produce (Holdings) through one of its subsidiaries acquired 358,000 ordinary shares on February 5. Total relevant interests at close of business on February 8 comprises of 7,108,500 ordinary shares.

Derby Trust — Merchant Navy Officers Pension Fund following a recent purchase is beneficial owner of 225,00 capital shares (8.764 per cent).

Allied Plant Group — Malcolm Charles Walker, a recently appointed director, has declared his shareholding as 780,000 ordinary shares (5.09 per cent).

Dualvest—Merchant Navy Officers Pension Fund purchased 26,000 capital shares and now holds 349,000 (17.45 per cent).

Marling Industries—Prudential Corporation Group holds 1.15m ordinary (7.62 per cent).

DAD Properties—Clarion Property Investment acquired 917,475 shares (6.23 per cent).

Higsons Brewery—Mr. D. B. Corlett, director, has sold 94,000 ordinary stock units: 47,000 ordinary were registered in the names of D. B. Corlett, L. Corlett and P. N. Corlett, and 47,000 ordinary in the name of the Westminster (Liverpool) Trust Company.

Asprey—As at February 4 1982 Sears Holdings had an interest in 437,750 ordinary shares.

T. C. Harrison—Mr R. G. Read, director, has sold 50,000 ordinary shares.

St George's Group—Scottish Northern Investment Trust is the beneficial owner of 255,391 ordinary shares (6.89 per cent).

Wholesale Fittings Company—Mr L. H. Rose, director, has disposed of 100,000 ordinary (0.7 per cent) and now holds 1,122,000 beneficial and 50,000 non-beneficial (8.38 per cent total).

Batleys of Yorkshire—L. Batley has acquired a further 8,400 deferred ordinary shares making holding 2,087,900 (77.96 per cent).

James Austin Steel Holdings — Trumanns Steel Group acquired further 28,300 ordinary shares increasing holding to 1,159,300 (25.77 per cent).

Good Relations Group—Miss Maureen Smith has increased interest by 10,000 shares to 572,496. D. Lewis has increased interest by 3,000 shares to 284,232.

Property Security Investment Trust—L. N. Tucker, director, has ceased to be interested in 100,000 ordinary shares.

Radiant Metal Finishing—Prudential Corporation holds 75,000 ordinary shares (5.61 per cent).

Heal and Son Holdings—Colonial Mutual Life Assurance and subsidiary hold 32,034 shares (25.33 per cent).

Benlox Holdings—N. J. Peto, director, has acquired 56,000 shares making holding 61,000 (1.3 per cent).

General and Commercial Inv. Trust—Unit Trusts managed by Britannia Group have total interest of 1,570,472 ordinary shares (29.38 per cent) following purchase of 267,300 shares. London and Manchester Group has disposed of 267,300 ordinary shares and now holds less than 5 per cent of ordinary capital.

RTZ—Eagle Star Group sold 175,000 "B" preference and no longer has notifiable interest in share of that class.

Firmin and Sons—Birmingham Mint is interested in 131,215 ordinary (5.04 per cent).

Downs Surgical — Scottish American Investment has purchased 197,000 ordinary shares increasing holding to 1.12m (7.47 per cent).

Cakebread Robey—Smith and Sons (London) has acquired further ordinary shares which brings total held by it and its associate to 152,300 (20.3 per cent).

Alexanders Holdings setback

A SHARP drop in profits is reported by Alexanders Holdings for the 12 months to September 30 1981, the pre-tax figure emerging at £152,000, compared with £416,000. Turnover of the group, a main Ford dealer, declined from £38.09m to £35.73m.

By midyear taxable profits had fallen by £172,000 to £27,000 but, as anticipated in the interim report, the company had a better second half compared with the first six months.

Although there is again no ordinary dividend a scrip issue on the basis of one ordinary for every 10 ordinary or "A" ordinary held is proposed—for 1980-81 a scrip of one-for-four was made.

There was no tax charge for the year (£308,000 credit) as a result of capital allowances and stock relief and after an extraordinary credit of £44,000 (£174,000) profits at the attributable level came through well down at £196,000, against £898,000.

Stated earnings per 10p share fell back from 2.93p to 0.57p.

The directors point out that the profit was arrived at after crediting £146,000 (£40,000) interest capitalised on a site in course of development.

Current cost adjustments reduce the attributable profit to £46,000 (£671,000)

Independent investigation into F. Pratt completed

THE independent investigation carried out by accountants Ernst and Whinney into certain aspects of head office expenditure at F. Pratt Engineering Corporation has been completed, new chairman Mr James Hendin tells shareholders in his first annual report, "and examined by a committee of non-executive directors."

"The recommendations of the committee which involve seeking financial redress from certain individuals have been discussed with our merchant bankers and, after taking the advice of leading counsel, have been accepted by your board and are being implemented," the chairman adds. "It would be inappropriate to make further comment at this stage."

The report looked into central spending in the financial year ended October 1980 to determine whether certain items were spent in a private capacity or on behalf of the company. The annual meeting last September brought to a head a simmering row over central expenses between two rival boardroom factions with the result that the former chief executive, Mr Tertius Murray Threipland, and a non executive, Mr Maurice James, lost their seats.

Mr Hendin, a former deputy chairman of Vickers, took over the chair last month. He is a non-executive director of the machine tool and scrap metal concern, 600 Group, which is also represented on the F. Pratt board by Mr L. Davies. The accounts show that 600 Group holds 26.8 per cent of Pratt. 600 Group made it clear at the time of Mr Hendin's appointment that it did not intend to launch a bid.

Mr Hendin also tells shareholders that "I am pleased to report that Mr W. G. Friggens has agreed to work with me as chief executive enabling him to concentrate fully on the difficult task of bringing the group back into profitability. New terms of service which are considered by our financial advisors to be fair and reasonable have been approved."

F. Pratt suffered a £790,000 pre-tax loss last year against an earlier profit of £992,000.

The board proposes that Ernst and Whinney be appointed the group's auditors in place of Bairstow and Aitken. "The change is considered necessary," the new chairman states, "in view of the greater emphasis which is being placed on our overseas business and the need to use the specialist advice of the international firm."

Funds of Lloyd's Life climb above £100m mark

Lloyd's Life Assurance reports the combined value of life assurance annuity funds, together with shareholders' funds, passed the £100m mark to £103.4m in the financial year to September 30, 1981. Also the deficit balance on the profit and loss account was wiped out at the year-end.

Premium and annuity consideration improved by more than 40 per cent from £25.9m to £37.1m and investment income by nearly 20 per cent from £8m to £9.5m. Claims and annuity payments rose one-third from £9.2m to £12.2m, while commission and management expenses were 41 per cent higher at £10m, against £7.1m. Total life and annuity funds climbed £16.3m during the year from £79.8m to £96.1m.

The surplus on the life and other funds was some £700,000, compared with over £1m, the decrease coming from the fall in asset values just before the year-end. A sum of £101,729 was transferred to the profit and loss account, just sufficient to wipe out the deficit balance. The company is carrying forward an unappropriated surplus of over £2.5m in the life fund.

As already reported the company achieved excellent new business growth during the year in both the main company and its offshore Isle of Man subsidiary. But Mr Robert Kiln, in his chairman's report, warns that expenses are increasing and that it may be difficult to maintain the recent rate of growth.

Mr Kiln also warns that the board proposes to consider various development possibilities and ways of strengthening the company before embarking on a policy of paying dividends.

The value of the company's shares, which are held within the premium trust funds at Lloyd's, rose from £5.50 to £7 as at December 31, 1981.

Metal Closures S. Africa

Metal Closures Group South Africa, the metal closures and plastic ware manufacturer which is 76.9 per cent owned by Metal Closures of the UK, increased pre-tax profits in 1981 by 17.2 per cent from R4.61m to R5.41m (£2.97m at current rates). Turnover rose by 29 per cent to R37.5m from R29.1m.

The company says that although economic growth was lower than in 1980, there was increased consumer demand in all sectors it serviced. A new plastics factory in Cape Province came on stream during the latter part of the year, and the rebuilt Transvaal plastics factory was handed over last June.

These two developments are expected to make a full contribution to profits in the current year. At the end of December, there were capital commitments of R3.3m.

A total net dividend per share of 46 cents has been declared from stated earnings of 140.3 cents a share. The previous year resulted in earnings of 112.8 cents and a total dividend of 38 cents.

MINORCO

The Anglo American Corporation group's Canadian Hudson Bay Mining and Smelting (Hudbay) and the Bermuda-registered Minerals and Resources Corporation (Minorco) are adding to their U.S. coal interests.

AARONSON BROS.

In the year ended September 30 1981 trading profit of Aaronson Bros. fell from £3.43m to £2.73m, before charging interest.

On February 10 the trading profits was reported as £11.34m, against £11.12m. This in fact was the part of turnover contributed by exports.

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C $375	—	—	10	27	—	—	$377.50
GOLD C $400	—	—	16	16.50	20	29	"
GOLD C $425	—	—	2	8	—	—	"
GOLD P $375	1	3.50 B	2	12	—	—	"
GOLD P $400	6	23 B	27	24	—	—	"
GOLD P $450	1	69 B	—	—	—	—	"
12¾ NL 81 87-91							
C F.107.50	—	—	—	—	50	1.60	F.107.40
C F.110	—	—	—	—	103	0.60	"
P F.107.50	—	—	—	—	350	1	"
10¾ NL 80 86-95							
C F.92.50	—	—	4	6.30	—	—	F.98.40
C F.95	10	3.40	—	—	—	—	"
C F.97.50	—	—	100	1.80	—	—	"
P F.97.50	—	—	150	0.60	30	1	"
	April		July		Oct.		
ABN C F.300	—	—	2	3.50	—	—	F.277.50
AKZO C F.25	63	2.20 A	—	—	—	—	F.26.90
AKZO C F.27.50	62	0.60	153	1.40	50	2	"
AKZO P F.25	20	0.40	26	0.80	—	—	"
AKZO P F.27.50	28	1.30	20	1.60	—	—	"
AMRO C F.50	9	1.20	34	2	—	—	F.47.70
HEIN C F.55	6	0.90	—	—	10	2.50	F.51
HEIN P F.50	—	—	30	2.70	10	3.10 B	"
HOOG C F.12.50	—	—	2	6	—	—	F.16.80
HOOG C F.17.50	—	—	—	—	3	1.70	"
HOOG P F.16	—	—	5	0.90	—	—	"
KLM C F.90	21	5	16	8	—	—	F.88.80
KLM C F.100	73	2	22	4.40	2	6	"
KLM C F.110	5	0.80	8	2	—	—	"
KLM C F.120	65	0.30	—	—	—	—	"
KLM P F.80	20	1.40	4	2.80	—	—	"
KLM P F.90	6	4.80	—	—	—	—	"
NEDL C F.130	54	1.80	30	4.30	6	6.50 A	F.128.80
NEDL C F.140	22	0.90	6	1.80	2	3	"
NEDL P F.130	66	5.70	74	13.50	5	13.50	"
NEDL P F.140	2	15.50	—	—	—	—	"
NEDL P F.160	—	—	20	32	—	—	"
PETR C F.5000	—	—	2	300	—	—	F.4670
PHIL C F.20	—	—	2	4.10 A	—	—	F.23.50
PHIL C F.22.50	69	1.80	66	2.10	40	2.60	"
PHIL C F.25	50	0.50	249	1	142	1.30	"
PHIL P F.22.50	2	0.40	—	—	4	0.90	"
PHIL P F.25	31	1.60	—	—	—	—	"
RD C F.80	28	4.30	14	5.70	—	—	F.81.40
RD C F.90	6	1 B	11	2	—	—	"
RD C F.100	—	—	100	0.50	—	—	"
RD P F.80	13	1.90	10	3.20	5	4.80	"
UNIL C F.160	17	6.20	3	4.70	—	—	F.157.80
UNIL P F.150	48	0.90	—	—	—	—	"
UNIL P F.160	10	4	—	—	—	—	"
	Feb.		May		Aug.		
SIEM C DM.220	60	1	—	—	—	—	DM217.50

TOTAL VOLUME IN CONTRACTS: 2898

A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Bank	14 %
American Express Bk.	14 %
Amro Bank	14 %
Henry Ansbacher	14 %
Arbuthnot Latham	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
BCCI	14 %
Bank Hapoalim BM	14 %
Bank Leumi (UK) plc	14 %
Bank of Cyprus	14 %
Bank Street Sec. Ltd.	15½%
Bank of N.S.W.	14 %
Banque Belge Ltd.	14½%
Banque du Rhone et de la Tamise S.A.	14½%
Barclays Bank	14 %
Beneficial Trust Ltd.	15 %
Bremar Holdings Ltd.	15 %
Bristol & West Invest.	15 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14½%
Canada Perm't Trust	14½%
Castle Court Trust Ltd.	14½%
Cavendish G'ty T'st Ltd.	15½%
Cayzer Ltd.	14½%
Cedar Holdings	14 %
■ Charterhouse Japhet	14½%
Choulartons	14½%
Citibank Savings	¶14 %
Clydesdale Bank	14 %
C. E. Coates	14½%
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
E.T. Trust	14 %
Exeter Trust Ltd.	15 %
First Nat. Fin. Corp.	17 %
First Nat. Secs. Ltd.	17 %
Robert Fraser	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
Heritable & Gen. Trust	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Hongkong & Shanghai	14 %
Knowsley & Co. Ltd.	14½%
Lloyds Bank	14 %
Mallinhall Limited	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Roxburghe Guarantee	14½%
E. S. Schwab	14 %
Slavenburg's Bank	14 %
Standard Chartered	‖14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
TCB Ltd.	14 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Wintrust Secs. Ltd.	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11.50%, 1-month 11.75%. Short term £8,000/12 month 14.10%.
† 7-day deposits on sums of:—under £10,000 11½%, £10,000 up to £50,000 12¼%, £50,000 and over 12¾%.
‡ Call deposits £1,000 and over 11½%.
‖ 21-day deposits over £1,000 13%
§ Demand deposits 12%.
¶ Mortgage base rate.

LADBROKE INDEX

Close 567-572 (—1)

THE TRING HALL USM INDEX

118.0 (—0.1)

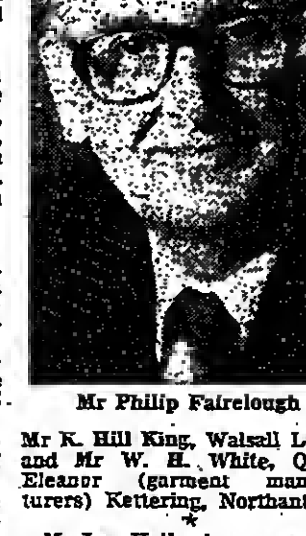
close of business 12/2/82

BASE DATE 10/11/80 100

Tel: 01-638 1591

APPOINTMENTS

Managing director for Burmah-Castrol



Mr Philip Fairclough

Mr Philip Fairclough is to be apointed managing director of the BURMAH-CASTROL COMPANY on April 1. He was Castrol's UK sales manager until 1968 when he was appointed general manager, supply and distribution; in 1969 he was appointed to the board.

In 1971 Mr Fairclough became Burmah-Castrol's director responsible for all the company's lubricants activities in the UK.

★

Mr James W. Foord has been appointed managing director of PYE TELECOMMUNICATIONS by the UK group board of Philips Electronics. Currently general manager of ITT data systems division, Mr Foord has held appointments with IBM, Rolls-Royce and Honeywell.

★

Mr Trevor Marsden, BP OIL'S general manager (sales), is retiring. He is succeded by Mr Ted Hawkes, divisional manager aviation. Mr Marsden is also chairman of BP Aquaseal and Sealand Petroleum, and a director of Rockwool and Beverley Engineering. On his retirement he will retain his Beverley directorship.

★

SALTER HOUSEWARES has appointed Mr T. E. Nixey as marketing director. He joined Salter as marketing manager in December 1980 from Spong.

★

Glaxo Holdings has made the following appointments to the board of subsidiary, GLAXOCHEM: Dr A. H. Raper, chairman; Dr H. McCorquodale, managing director; Mr K. G. Goodman, commercial director (and general manager, Sefton Bulk Pharmaceuticals); Dr J. Kennedy, technical director and Mr R. I. Wallace, finance and administration director.

★

Mr John F. Valentine has been apppinted chairman of the horticulture division of FISONS, with headquarters at Bramford, Suffolk. He will also be an associate director of Fisons, which he joins from Johnson Wax.

★

Mr S. T. DeMain has been appointed sales director of PORTER PAINTS, a member of Macpherson Industrial Coatings.

★

Six vacancies on a newly-formed co-operative productive board of the CO-OPERATIVE UNION have been filled by executives of constituent productive co-operatives. The remit of the Productive Board is to deal with matters connected with the operations of productive/industrial co-operative organisations. These can be already members of the Co-operative Union or newly-formed. The new members of the board are: Mr G. Allen, Derby Printers; Mr N. Carter, Avalon Footwear, Rothwell, Northants; Mr A. Dawson, Leicester Carriage Builders; Mr G. Fletcher, Leicester Printers; Mr K. Hill King, Walsall Locks; and Mr W. H. White, Queen Eleanor (garment manufacturers) Kettering, Northants.

★

Mr Len Holland, an executive director, has taken over responsibility for the line management of industrial division II of HOECHST UK in addition to his present responsibilities as site director of Hoechst UK's northern offices. This follows the retirement of Mr Eric Bowker.

SPAIN

February 12	Price %	+ or —
Banco Bilbao	337	—3
Banco Central	360	—2
Banco Exterior	315	—6
Banco Hispano	320	—2
Banco Ind. Cat.	115	
Banco Santander	360	—1
Banco Urquijo	235	
Banco Vizcaya	382	—4
Banco Zaragoza	238	
Dragados	175	—5
Espanola Zinc	65	+1
Fecsa	62	—0.5
Gal. Preciados	44.6	—2.5
Hidrola	66.2	—0.8
Iberduero	51	
Petroleos	102	
Petroliber	94	
Sogefisa	15	—1
Telefonica	73	
Union Elect.	65.2	—0.8

CONTRACTS

Solar heating scheme

A contract worth £75,000 for a solar heating scheme using an advanced form of solar collector has been placed by the Commission of the European Community (EEC) with the mechanical engineering laboratory of GEC POWER ENGINEERING.

The solar heating scheme is intended to provide hot water to the works canteen on the Whetstone site of GEC. The collectors will be installed adjacent to the canteen, will cover an area of around 150 square metres and provide around 75,000 kWh of heat/year. It is hoped to provide the bulk of the hot water requirements during the summer months, major contributions to the heating in spring/autumn and a small amount in winter.

Novel aspect of the scheme will be the devices for collecting the solar energy. They will consist of evacuated glass tubes each 1,500 mm long and 65 mm in diameter with a finned heat pipe down the centre. Because of the vacuum inside the tube the heat losses are much reduced and at the system temperature to be used (75 deg C) the tubes, known as evacuated tube collectors (ETC's) will be twice as efficient at capturing the sun's energy as conventional flat plates.

The contract covers the design, installation and performance evaluation of the solar scheme over the two-year period. The objectives are to see if the system provides the amount of energy it is designed to do, to demonstrate the reliability of the system and to evaluate its economic viability in the UK climate. In addition to UK applications there are attractive prospects for export to other, warmer countries once the system has been proved.

★

TITANIUM METAL AND ALLOYS has been awarded an order worth around £750,000 to supply titanium condenser tubes for the Central Electricity Generating Board's Oldbury power station. The order is for over 500,000 ft of tube, which will be produced and delivered in time to meet the power station's retubing schedule early in 1982.

★

GODFREY DAVIS EUROPCAR has been appointed a preferred supplier to Hogg Robinson Travel's 60 branches.

SUMMARY WEEK'S COMPANY NEWS

Take-over bids and deals

Elders IXL, the fast-growing Australian industrial company, followed up its dawn raid on Wood Hall Trust with an agreed cash offer of 215p per share. The bid is worth £53.6m for the UK group which has about 65 per cent of its assets in Australia. The full offer came just twenty-four hours after Elders instructed brokers Fielding Newson-Smith to bid in the market for Wood Hall's shares at 200p each. They had acquired under 10 per cent when others started to buy the shares and pushed the price to 206p.

Exco, the money broking group which recently came to the market, paid £4.5m for 75 per cent of W. L. Carr (Overseas), the profitable Hong Kong business which Carr Sebag, the London stockbroking firm, had put up for sale.

In the wake of the demise of Laker Airways, Saga Holidays acquired Laker Air Travel for £500,000 cash, while independent brewery concern Greenall Whitley bought Laker's Arrowsmith Sunshine Holidays Group for £4m.

Home Charm, the largest independent DIY retailer, agreed to buy the DIY business of J. H. Sankey for £14m. The 27 Sankey stores will increase Home Charm's Texas Homecare business by 66 per cent and establish the company as a nation-wide chain.

HAT Group, the building services and materials company, is paying £9m for Jack Tighe, a substantial painting contractor based in the North East. The acquisition will double the size of HAT's painting division and take it into the field of specialist grit and shot-blasting cleaning.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Assoc. Comms. 'A'	68*	75	52††	35.8	Bell Group
Assoc. Comms. 'A'	85*	75	73	46.13	Heron Corp.
Bazalon Hldgs.	700*	190	245	1.75	Closerule
Callender (G. M.)	85*	82	56	5.78	Colas Prods.
Colonial Secs.	74½	68	54††	9.34	Utd. Newspapers
Croda Int.	70*‡	80	43½	62.8	Burmah Oil
Croda Dfd.	37*§	53	21	3.90	Burmah Oil
Grant Bros.	190*	186	179	2.28	Jadepoint
Heron Motor Grp.	34*§	31	23	4.33	Heron Corp.
Holden (A.)	180*	182	158	12.82	ICI
Huntley & Plmr.	103§§	111	108	56.26	Rwntree. Mkntsh.
Laganvale Ests.	36½	31	29	5.33	Sturla Hldgs.
Leadenhll. Strlng.	125*‡	120	65††	5.62	Hays
New Sylhet	200*	220	225	0.38	Bon Marche Line
Normand Electrl.	54½§§	55	41††	4.90	Henderson (P. C.)
Oldham Brew.	163	159	91	23.47	Boddingtons
Speedwell Gear Case	15*	17	23	14.4	Astra Ind.
Ward (T. W.)¶¶	225†	233	144	131.31	RTZ
Williams (W.)	25*‖‖	28	11††	0.85	Price (C.)
Wood Hall Trust	215*	215	156	52.74	Elders IXL

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on February 12 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Scrip Issues

Securicor Group—One new "A" ordinary for every two ordinary or "A" held.

Security Services—One new "A" share for every three ordinary or "A" held.

Rights Issues

Hunting Petroleum Services—Is raising £12.89m by way of a rights issue on the basis of three new shares at 160p each and £7 in 10 per cent convertible subordinated loan stock 1997 for every 10 ordinary or deferred shares.

Steaua Romana (British)—Is raising £1.64m by way of a one for two rights issue at 45p per share.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aaronson Bros.	Sept	543	(1,960)	—	(3.4)	1.2	(4.2)
African Lakes	July	441	(773)	3.7	(7.5)	1.1	(1.0)
Assoc. Fisheries	Sept	2,000	(5)	7.9	(2.7)	2.0	(1.0)
Crest Nicholson	Dec	6,320	(5,420)	8.8	(11.9)	2.85	(2.3)
Ford (Martin)	Nov	101	(244)	1.1	(1.8)	0.65	(1.3)
Habit Precision	Sept	146L	(49)	—	(1.5)	—	(0.55)
Imperial Group	Oct	76,300	(56,200)	14.8	(17.7)	7.25	(7.25)
Ladies Pride	Nov	623	(1,170)	6.2	(6.5)	3.4	(3.4)
Lonrho	Sept	120,600	(119,100)	14.6	(19.4)	9.0	(9.0)
Macpherson (D.)	Oct	2,570	(2,260)	7.5	(2.7)	4.2	(4.2)
Manchester Ship	Dec	2,430L	(3,220)L	—	(—)	—	(7.5)
Norfolk Capital	Sept	29L	(337)	0.2	(1.3)	0.5	(1.2)
Securicor	Sept	9,320	(7,940)	14.7	(15.8)	1.78	(1.61)
Security Services	Sept	7,960	(6,230)	13.6	(14.4)	3.0	(2.71)
Thrml. Syndicate	Oct	509	(1,400)	7.5	(21.9)	7.0	(7.0)
Tilley Lamp	Sept	42	(241)L	6.9	(—)	—	(—)
Weber Holdings	Dec	181	(161)	20.8	(18.5)	20.0	(17.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Amstrad Eletrncs.	Dec	2,590	(1,310)	1.87	(1.56)
Ashley Industrial	Oct	61L	(166)	1.5	(1.25)
Benn Brothers	Dec	384	(360)	1.3	(1.1)
Bevan (D. F.)	Sept	35L	(25)	0.25	(0.25)
BOC International	Dec	21,200‡	(14,600)‡	—	(—)
Burt Boulton	Sept	275	(640)	2.0	(3.0)
Christie Tyler	Oct	739L	(445)L	—	(1.0)
Christy Bros.	Dec	25	(54)L	—	(—)
Crouch Group	Sept	161	(231)	1.08	(1.08)
Dale Electric	Oct	301	(205)	0.7	(0.7)
Douglas (Rbt. M.)	Sept	747	(1,122)	0.75	(0.73)
Dowty Group	Sept	15,700	(19,050)	1.55	(1.47)
English Assoc.	Dec	917	(529)	1.0	(0.63)
Epicure	Dec	540	(423)	0.63	(5.0)
Greycoat Ests.	Sept	265	(240)	—	(—)
Gripperrods	Oct	407	(553)	1.4	(1.58)
Guildhall Prop.	Dec	536	(509)	0.75	(0.75)
Hampson Inds.	Sept	169	(217)	0.25	(0.25)
Heath (Samuel)	Sept	364	(164)	—	(—)
Heelamat	Oct	161	(—)‖	2.0	(—)
Hme. Farm Prods.	Nov	450	(396)	1.15	(1.15)
Jackson (Wm.)	Oct	403	(1,060)	—	(—)
Key Properties	Dec	216†	(43)†	—	(—)
Leaderflush	Sept	105	(45)	0.7	(—)
Lowland Drapery	Nov	51L	(168)L	—	(—)
Meat Trade Splrs.	Oct	132	(221)	1.75	(3.5)
Mining Supplies	Oct	677L	(2,370)	—	(—)
ML Holdings	Sept	453	(442)	2.0	(2.0)
Portsmouth News	Dec	2,440†	(2,340)†	—	(—)
Wrthngtn. (A. J.)	Sept	7L	(17)	0.38	(0.41)

(Dividends in parentheses are for the corresponding period.)
* Dividends shown net except where otherwise stated. † Nine months. ‡ First three months. ‖ No comparable figure. L Loss.

Offers for sale, placings and introductions

Amersham International—Offer for sale of 50m ordinary shares at 142p each (full prospectus on Monday).

ESI London—Has obtained a Luxembourg listing.

Renaissance Resources—Is seeking a Toronto Stock Exchange listing and plans a London dealing facility under Stock Exchange rule 163 (1) (e).

Television South West—Is being introduced to the Stock Exchange next week.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	9.50	9.75	11.00	11.76 6 years. Sixty plus, 10.75 1 year high option, 10.25-11.75 1-5 years open bondshare
Aid to Thrift	10.50	10.75	—	—
Alliance	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 £500 min., 3 mths.' notice
Anglia	9.50	9.75	11.00	12.00 6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	9.25	9.75	11.00	10.75 1 month's notice deposit
Bridgwater	9.50	9.75	11.25	11.75 5 yrs., 10.85 2½ yrs.
Bristol Economic	9.75	10.50	11.00	9.75 3 months' notice and 10.75 on balance of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25 4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75 5 yrs., 10.75 3 months' notice
Cardiff	9.50	10.50	11.50	—
Cardiff	—	11.00	—	— Share a/c bal. £10,000 and over
Catholic	9.50	10.00	11.00	11.25 Extra share 3 months' notice
Chelsea	9.50	9.75	11.00	12.00 3 months interest penalty
Cheltenham and Gloucester	9.50	9.75	11.00	—
Cheltenham and Gloucester	—	10.75	—	— Gold Account. Savings of £1,000 or more (9.75 otherwise)
Citizens Regency	—	10.00	11.25	12.00 5 yrs., 11.05 3 mths.' notice a/c, 11.30 6 mths.' notice a/c
City of London (The)	9.75	10.00	11.25	11.25 Capital City sbs. 4 mths.' notice
Coventry Economic	9.50	9.75	11.25	11.50 4 yrs., 11.25 3 yrs., 11.00 3 mths.
Derbyshire	9.50	9.75	11.00	10.25-10.85 3 months' notice
Ealing and Acton	9.50	10.25	—	10.90 2 yrs., £2,000 minimum
Gateway	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	— Plus a/c £500 min. Int. ½-yearly
Greenwich	—	10.00	11.25	12.00 5 yrs., 11.25 3 months' notice
Guardian	9.50	10.00	—	11.75 6 mth., 11.25 3 mth., £1,000 min.
Halifax	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	9.50	9.75	11.00	— 3 mths.' notice 10.75, 5 yrs. 11.75
Hearts of Oak and Enfield	9.50	10.00	11.50	11.75 5 yrs., 11.25 6 mth., 11.00 4 mth.
Hendon	10.00	10.50	—	11.50 6 mths., 11.25 3 mths.
Lambeth	9.50	10.00	11.75	12.00 5 yrs., 11.75 6 months' notice
Leamington Spa	9.60	9.85	13.20	11.35 1 year
Leeds and Holbeck	9.50	9.75	11.50	11.75 5 yrs., 10.75 1 mth. int. penalty
Leeds Permanent	9.50	9.75	11.00	11.75 3 yrs., E.I. a/c £500 min. 10.75
Leicester	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75 5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75 3 months' notice
Mornington	10.50	11.00	—	—
National Counties	9.75	10.05	11.05	10.75 35 days' notice min. dep. £500, 6 mths., 11.15 min. dep. £500
Nationwide	9.50	9.75	11.00	11.75 5 yrs., £500 min. 90 days' notice. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' notice
Newcastle	9.50	9.75	11.00	11.75 4 yrs., 10.75 2 mths.' notice or on demand 28 days' int. penalty
New Cross	10.50	10.75	—	10.75-11.50 on share accs., depending on min. balance over 6 months
Northern Rock	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75 3 yrs., 10.50 2 yrs.
Paddington	9.25	10.25	11.75	11.25 Loss 1 month int. on sums wdn.
Peckham Mutual	9.75	10.75	—	11.25 2 y, 11.75 3 y, 12.25 4 y, 11.0 Bns.
Portman	9.50	9.75	11.25	11.75 5 yrs., 11.00 6 months' notice, 10.75 3 months' notice
Portsmouth	9.85	10.05	11.55	12.10 (5 yrs.) to 11.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75 4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00 4 yrs., 11.25 3 yrs., 10.75 2 mths.
Skipton	9.50	9.75	11.00	10.85-11.00 28 days' interest penalty
Sussex County	9.75	10.00	12.25	11.00 instant withdrawal option
Sussex Mutual	9.75	10.25	11.50	10.50-11.75 all with special options
Town and Country	9.50	9.75	11.00	12.00 5 yr., 11.75 3 yr. 60 dy. wdl. not., 11 2 mth. not./28 days' int. pen.
Wessex	9.75	10.75	—	—
Woolwich	9.50	9.75	11.00	11.75 3 yrs. £500 min. 90 days' not. on amt. wdn., 10.75 £500 3 mth. not.
Yorkshire	9.50	9.75	11.00	11.25 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs., 11.05 Golden key 28 days' penalty interest

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

WORLD STOCK MARKETS

Early firmness on Wall St

SLIGHTLY HIGHER levels developed on Wall Street yesterday as a combination of uncertainty about the Weekly Money Supply figures and a Bank Holiday inhibited any major movement in the Stock Market.

By 1 pm the Dow Jones Industrial Average was up 1.23 at 835.90, reducing its loss on the week to 15.13, while the NYSE All Common Index, at $66.24, gained 13 cents on the day but was still off $1.55 on the week. Advances led declines by a three-to-two majority but the volume dropped 4.14m shares at 28.12m, compared with 1 pm Thursday.

Analysts said investors are reluctant to commit themselves to the market ahead of the Money Supply figures, released after the close, and before a three-day weekend.

Wall Street will close Monday in observance of Washington's birthday and banks in many states, including New York, were closed yesterday for Lincoln's birthday.

Projections for this week's Money Supply range from a moderate rise in the M-1 measure to a decline. Stocks fell sharply the past two Monday's after disappointing Money figures.

Brunswick improved $1⅞ to $26⅛ in active trading—it agreed to sell its Sherwood Medical Group in a move to forestall a takeover bid by Whittaker Corp, off $⅞ to $30.

Enterra advanced $2⅛ to $40—it reported higher earnings earlier in the week.

Rochester Gas and Electric fell $1 to $12⅛—new defects were reported at its Ginna nuclear plant.

Merrill Lynch, the volume leader, declined to $31⅞—a block of 1,244,800 shares traded at $31½. Hospital Corp of America, second active, due to a block of 900,000 shares that traded at $31⅞, off $¼. Hospital bought 1.25m shares of Beverly Enterprises, raising its stake to 18 per cent.

Baldwin-United gave way $1⅞ to $60—it is seeking regulatory approval of its proposed takeover of MGIC Investment.

THE AMERICAN SE Market Value Index shed 0.31 to 275.60, making a fall of 9.91 on the week. Trading volume dipped 723,000 shares to 3.60m compared with 1 pm Thursday.

Wang Laboratories led the active list—a block of 630,000 shares traded at $32⅛, off $¼.

Canada

Stocks drifted lower at mid-session, with the Toronto Composite Index off 3.1 to 1,677.0.

The Metals and Minerals Index shed 4.6 to 1,570.3, Oil and Gas 12.1 to 2,889.0, Banks 1.01 to 309.81 and Utilities 0.90 to 208.42. But Golds rose 14.8 to 2,490.3.

Teck "B" eased $¼ to $9¼—it expects to have an operating loss for the year and reported a loss for the first quarter.

Campbell Resource's rose $¼ to $7¼—its Inverness Petroleum unchanged at $3, said its well in northwest Alberta flow tested at 300 barrels of oil a day.

Tokyo

Share prices fell sharply in thin trading, and the Market Average dropped 76.82 and broke through the 7,700 level with investors discouraged by the fall of the yen against the dollar. Volume was a thin 200m shares.

The *downtrend, which involved* internationally known issues, was accelerated by rising sell offers because of a large number of Margin Buying positions left over from the need for settlement this week.

"Large capital" Steels, Pharmaceuticals and Electric Cables were sold, while a lack of buyers reduced the trading volume.

Some Oils, including Showa Oil, and Non-Ferrous Metals such as Mitsui Mining and Smelting, gained ground against the general trend because of "cheap" buying.

Toyota Motor shed Y20 to 1,050 following its denial of Japanese Press reports that it had decided to start car production in the U.S., with a decision to be announced soon.

Germany

Narrowly mixed after dull trading. Brokers said that a lack of market-affecting news made for a trendless session for the second *straight day*.

Banks were mostly lower, while Motors were also broadly weaker with Daimler-Benz off DM 1.5 at 298 despite its encouraging 1981 report that included steady earnings and higher turnover.

Machine Makers, Chemicals and Steels were mixed.

Siemens, in large turnover, rose DM 2.10 to 217.50 on hopes its Kwu unit will benefit from the West German Government's go-ahead for three new nuclear power stations. Deutsche Babcock advanced DM 5 to 197, on the same grounds.

Interest in West German Domestic Bonds declined in the face of the dollar's sharp rise against the D-mark Friday. Trading was described as "nearly dead" *with prices moving slightly* to either side in chance movements. Mark-denominated Eurobonds were also virtually unchanged, although some newer issues posted small gains.

Deutsche Bundesbank sold DM 2.3m in Public Sector Bonds to steady the market.

Australia

High local and U.S. interest rates along with weak performances by Australian mines in London overnight kept Stock Markets on their recent downward course.

BHP firmed 4 cents to A$8.64, despite half-year after tax profit downturn of 36.4 per cent to A$88.87m.

Joint owners of Ansett, TNT and News Corp., fell for the second day running after bleak reports on the Domestic Airline front. News lost 25 cents to A$2 and TNT 7 cents to A$2.20.

An oil flow of 2,500 barrels per day was reported from Merrimelia No. 7 appraisal well in the Cooper Basin and 50 per cent interest holder, AOD, rose 3 cents to A$1.43, 25 per cent holder Santos eased 1 cent to A$5.50 and CSR, whose subsidiary Delhi has 15 per cent, rose 3 cents to A$3.48.

Hong Kong

The market recovered from an early decline to reverse its recent extended downtrend. Prices were buoyed by speculation of a better than expected tender price put in for the Connaught Bus Depot site, central Hong Kong, for which tenders closed yesterday.

The Hang Seng Index ended 13.47 higher at 1,270.04, after shedding 18.73.

Paris

French stock prices showed no particular trend at the end of a busy pre-weekend session.

Market analysts said there had been some profit-taking on the strong gains of Thursday. Also putting a damper on sentiment was the ruling Thursday by the Constitutional Council that the Government's Nationalisation Bill *conforms to the constitution*.

Traders said they expect the Stockbrokers' Association to announce shortly that trading in the stock of the Banks and Corporations to be nationalised will resume for a brief period before these stocks are definitively scratched from the Stock Exchange listings.

Under the compensation terms of the Nationalisation Bill, stockholders are to be given Bonds indexed to the average yield of State-Guaranteed Bonds in exchange for their shares.

In mixed Electricals, Cit-Alcatel held unchanged at Fr 940 *after reporting higher 1981 con*solidated net turnover.

International stocks were marked down with only a few exceptions.

Singapore

Narrowly mixed on some selling pressure, although values recovered slightly towards the close.

Hotels, Properties, Commodities and the second trading section were lower, where traded.

Closing Prices for North America were not available for this edition.

NEW YORK

CANADA

Stock	Feb. 11	Feb. 16
AMCA Int l	19⅛	19¾
Ahitibi	26	26
Agnico Eagle	7⅛	7⅜
Alcan Alumin	23¼	23¼
Algoma Steel	37⅞	37½

BELGIUM (continued)

Feb. 12	Price Frs.	+ or −
Petrofina	4,670	+85
Royale Belge	5,300	+100
Soc. Gen. Banq	2,700	
Soc. Gen. Belgo	1,480	−20
Sofina	3,500	−50
Solvay	2,320	−50
Tracton Elect.	8,865	+15

HOLLAND

Feb. 12	Price Fls.	+ or −
ACF Holding	78.5	
Ahold	65.5	+0.2
AKZO	25.5	−0.9
ABN	277.5	−1.5
AMEV	80.8	−0.2
AMRO	47.7	−0.8
Bredero Cert.	127	

AUSTRALIA

Feb. 19	Price Aust. $	+ or −
ANZ Group	4.2	
Acrow Aust.	1.2	
Ampol Pet.	1.50	
Assoc. Pulp Pap.	1.60	
Audimco	0.10	+0.01
Aust. Cons. Ind.	1.64	
Aust Guarant.	2.32	

JAPAN (continued)

Feb. 12	Price Yen	+ or −
Kubota	338	
Kumgai	351	−5
Kyoto Ceramic	5,740	+16
Lion	690	−5
Maeda Cons.	629	
Makita	849	+2
Marubeni	323	+1
Marudai	853	−3

Indices

MONTREAL	Feb. 11	Feb. 10	Feb. 9	Feb. 8	1981-82 High	1981-82 Low
Industrials	284.06	293.34	293.38	294.80	409.56 (27/5)	293.34 (10/2/82)
Combined	278.78	278.38	278.31	279.97	375.28 (16/6)	278.31 (8/2/82)
TORONTO Composite	1680.1	1677.1	1675.0	1685.4	2396.56 (16/7)	1675.0 (9/2/82)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Texaco	1,966,500	30½	−⅛
RCA	906,800	20	+¾
Phillips Petrolm.	736,500	37⅛	+2⅜
Xerox	722,900	38⅛	−½
Continental Grp.	674,000	28⅜	−1⅜
Cities Service	656,500	30⅜	−1⅛
Eastman Kodak	510,700	70⅛	−⅝
Am. Home Prods.	504,300	34¼	−⅞
MGIC Inv.	503,000	49	+1
Pennzoil	428,500	45	+4⅝

INTERNATIONAL COMPANIES and FINANCE

Computer losses hit Saint Gobain

By David White in Paris

SAINT-GOBAIN, the glass-to-electronics group which constitutes the most expensive single item on the French Government's nationalisation list, yesterday announced a fall of more than half in consolidated net earnings for 1981.

Group profits tumbled to FFr 420m ($70m) from FFr 909m, after rising strongly in the previous two years. The fall reflected the heavy cost of rationalisation measures and labour cuts, both in France and abroad, and losses at Cii-Honeywell Bull, the computer company which Saint-Gobain indirectly controls.

Operating profits fell to FFr 1.35bn from FFr 2.15bn, a drop of 37 per cent. Without taking Honeywell Bull's deficit into account the decline would have been kept down to 14 per cent, the company said.

Exceptional charges during the year amounted to FFr 640m, compared with FFr 398m the year before.

Wider EOE gold trading

THE DUTCH European Options Exchange (EOE) and the Montreal Stock Exchange plan to start their combined gold option trading on February 22. The two exchanges this week signed an agreement to co-operate, clearing the way for the purchase by the Montreal exchange of a half share in the European Gold Options Corporation, writes Our Amsterdam Correspondent.

This will create a gold options market open for 12 hours a day. If the joint effort is successful the EOE will approach a stock market in the Far East to set up an Asian centre.

Pay cuts at Kaiser Steel

KAISER STEEL, which recently reported a $437m loss for 1981 against a profit of $191.5m previously, has instituted a 10 per cent pay cut for officers at corporate level and a pay freeze for salaried employees, writes our Financial Staff. It has also reduced medical and vacation benefits for all salaried employees throughout the group.

Kaiser is in the process of being bought by a private investment group for $403m.

SHARP REVERSE FOR STEEL DIVISION

First-half downturn at BHP

BY GRAEME JOHNSON IN SYDNEY

AUSTRALIA's biggest public company, Broken Hill Proprietary (BHP) has reported a 19.2 per cent fall in earnings from A$252m to A$203.7m (US$221.7m) for the half-year ended last November.

The slump, while not as big as generally expected, may not yet be over. The biggest contributor to the fall appears to have been the steel division where earnings fell 65 per cent, from A$66.09m to A$23.16m.

A slight fall in earnings at the oil and gas division, from A$128.3m A$122.8m and halved profits of A$11.5m from the minerals division, added to the dismal result.

The only bright spot was a 20.7 per cent lift from A$17.54m to A$21.7m in the contributions from John Lysaght (Australia) and a 27.75 per cent increase from A$20.7m to A$26.4m in earnings by other group subsidiaries and investments.

The BHP group has been exposed in the latest half to the severe problems faced by the steel industry and without any improvement in oil and gas earnings to offset this. The directors admit that the full-year result will be substantially "below last year's and in the short term no significant change is foreseen in the profitability of the oil and gas division."

Steel output during the six months fell by 5 per cent but this was more than overcome by a 7 per cent increase in price which lifted steel sales from A$1.18bn to A$1.2bn. Profit margins, however, were cut by big cost increases, disruptive strikes and a relatively high exchange rate for the Australian dollar. BHP says exports will have to be curtailed because of the unattractive state of the world steel industry.

Mr Brian Loton, managing director of BHP, said optimistically, "We are never without hope and there are serious problems to which we are addressing attention."

He added that BHP is doing everything possible to contain costs, improve margins and make volume equal to the scale it can effectively service. If BHP's inflation adjusted figures are substituted for inadequate historic cost accounting, then based on BHP calculations, its true earnings for the half fell 36 per cent from A$136.7m to A$87.5m. On this basis, BHP's steel division showed a loss of A$8.35m in the previous year's first half and a loss of A$58.76m this time around.

The minerals division results were also blamed partly on the continuing depression in the world steel industry.

New can plant costs hit PLM

BY OUR STOCKHOLM CORRESPONDENT

PLM, the Swedish metal can, packaging and waste recovery group, reports an earnings slump from SKr 96.2m to SKr 37.3m ($6.5m) in 1981, conforming to the forecast made by managing director Mr Ulf Laurin, managing director, in his eight-month interim review.

Sales at SKr 2.34bn ($410m) represent a 5 per cent growth for comparable units, it is stated. After currency losses and extraordinary items, PLM shows a pre-tax profit of SKr 35.2m against SKr 116.1m in 1980.

Earnings per share tumbled from SKr 19 to SKr 7.40 but the directors propose to pay shareholders an unchanged dividend of SKr 7.75 a share.

Some SKr 35m of the profit slump is attributed to start-up and running-in costs for the new aluminium can factory in Sweden. The remainder is stated to be due to the low demand for packaging in recessionary Sweden.

The Danish, Dutch and West German packaging operations returned relatively similar results to those reached in 1980, while Sellbergs, the waste recovery and recycling company, improved its operating profit. Net financial costs mounted by SKr 21m to SKr 68m.

Agreement has been reached with the Swedish Government on a recovery system for aluminium cans and PLM predicts that the new factory should show a small pre-tax profit this year.

Capacity at the other Swedish plants is being adjusted to the lower demand and the foreign operations are expected to improve earnings this year.

Renown stages steady growth

BY YOKO SHIBATA IN TOKYO

RENOWN, JAPAN'S leading clothing wholesaler which has its own strong, nationwide sales network, lifted unconsolidated operating profits by 20.6 per cent to Y14bn ($59m) in 1981. The improvement in earnings was attributed to the introduction of new brand-name products, improved inventory controls and expansion of sales outlets. The company is listed on the London Stock Exchange.

During the past year, the company's range of women's outerwear products, Renown Look, was transferred to a direct sale basis, and is listed in the second section of the Tokyo Stock Exchange. As a result, Renown's sales declined by 1.7 per cent to Y202,316m.

Thanks to tax reductions following the introduction of a new retirement pension system, net profits jumped Y7bn, up 39 per cent over the previous fiscal year. Profits per share were Y49.2 from Y46.2 in the previous year. The company has increased its dividend by Y2.5 to Y12.5 for the year.

Sales of men's outerwear rose by 17.1 per cent to account for 26 per cent of the total turnover, due to the introduction of several new products. Women's outerwear sales rose by 15 per cent to account for 16.7 per cent of total turnover, with a favourable contribution from Micmac products (licensed from Micmac of France).

As a result of the contribution of new brand products to sales, the company's gross profits ratio improved to 31.5 per cent from 30.9 per cent in the previous year.

Looking ahead, Renown sees little scope for recovery consumer spending this year, even though sales are expected to grow about 10 per cent for the company's new brand products.

Full year sales are expected to reach Y212.5bn, up 5 per cent over the previous year. Full-year operating profits are projected at Y14.7bn, up 5 per cent and net profits at Y7.4bn, up 5.6 per cent over the previous fiscal yera.

Spanish bank raises profits

By Robert Graham in Madrid

BANCO Hispano-Americano, Spain's third largest commercial bank, has increased net profits by 30 per cent to Pta 8.8bn ($88m), confirming that 1981 has been an exceptional year for the Spanish banking community.

Profits were achieved despite a heavy provision of Pta 12.3bn to cover doubtful debts, portfolio write-downs and amortisations.

The upturn in profits was attributed to much tighter control of margins which grew almost one point below inflation. The bank also benefited from higher intrest rates. The results exclude the Hispano group, whose profits doubled to Pta 1.6bn. A dividend of Pta 100 per share, is being proposed, compared to Pta 74 previously.

For the first time deposits passed the Pta 1,000bn mark, increasing by 18 per cent, marginally above the average for the big seven banks. Loans were up 13 per cent to Pta 750bn.

GTM merger talks

Grands Travaux de Marseille (GTM) and Entrepose, two leading French public works companies, have begun negotiations on a possible merger, AP-DJ reports from Paris. A union would make the joint group one of the largest public works companies in France, with GTM contributing FFr 8bn ($1.33bn) to the combined FFr 11bn capital.

Sealand gives R. J. Reynolds sharp lift

By Our New York Staff

R. J. REYNOLDS, the U.S. group whose chief interests are in tobacco, energy and shipbuilding, lifted fourth-quarter profits by 32 per cent and recorded strong growth for the whole of 1981.

Net earnings were $177.8m or $1.62 a share on sales of $3.07bn in the quarter, up from $137m or $1.23 a share on sales of $2.82bn.

Full-year earnings totalled $767.8m or $7.03 a share, an improvement of 15 per cent on 1980's $670.4m or $6.12 a share, while annual sales rose from $10.35bn to 11.69bn.

The sharpest improvement in profits was at Sealand, the container shipping company which earned $103m in 1981 against $66m the year before.

But Reynolds also enjoyed satisfactory growth in its core tobacco business where its U.S. unit sales were 2.7 per cent up and international sales up 7.4 per cent.

In energy, Aminoil continues to expand rapidly adding to its domestic exploration acreage by 42 per cent last year. Profits before tax rose from $183m to $247m.

Sealand's performance has been greatly helped by the sale for $207m of six ships to the U.S. Navy last year.

Record year for AMCA

By Robert Gibbens in Montreal

RECORD RESULTS are reported for 1981 by AMCA International, formerly Dominion Bridge and the Canadian Pacific group's fastest-growing affiliate over the past five years.

Operating earnings were US$69m or $2.56 a share, against $45.2m or $1.69 a share in 1980. Revenues soared from $1.1bn to $1.6bn, while the order backlog at the end of the year reached $868m, compared with $744m.

The company late in 1980 acquired Koehring, the major American crane builder. AMCA makes a wide variety of steel construction and engineered products, specialises in oil terminal equipment, and controls the Litwin oil refinery engineering group.

Non-European trade provides sharp boost to earnings at ESAB

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

ESAB, the Swedish welding equipment manufacturer, had unexpectedly good results for 1981 with earnings rising 67 per cent to SKr 114m ($20m). Sales climbed by 22 per cent to SKr 1.97bn ($345m), of which 89 per cent were achieved outside Sweden.

The directors recommend a dividend of SKr 8 a share on capital which was increased by last year's one-for-three rights issue. In 1980, ESAB paid SKr 5 a share after passing the dividend in 1978 and 1979.

In the half-year report released in August, the management stated that it would be "difficult" to repeat the 1980 earnings and sales. The good results now reported are attributed to the growth in group operations outside Europe.

The West European market for welding equipment was depressed in 1981 and ESAB's performance declined in Britain, Italy, Belgium and Sweden.

However, the Swedish company played its part in the current restructuring of the European welding industry by buying last year companies in the Netherlands and West Germany. These takeovers make ESAB one of the world's two biggest companies in the gas cutting machinery field, says the company.

In Mexico, ESAB bought a 40 per cent interest in a well-established welding company. It improved its share of the market and its earnings substantially in Brazil and reports considerable sales and profit gains in Singapore and Australia.

The management believes the present recession will be relieved by a small recovery in the later part of 1982. This year's earnings should not be lower than those of 1981, it predicts.

Acquisitions help Haggie

BY JIM JONES IN JOHANNESBURG

HAGGIE, the South African steel rope, steel products and electrical products manufacturer, was helped by acquisitions to a 27.4 per cent operating profit increase in 1981. Operating profit rose to R61.9m (SUS$60.6m) from R48.6m in 1980, while turnover advanced by 29.2 per cent to R338.7m from R262.2m.

Haggie spent R50m on acquisitions last year, of which R13.5m was for just less than half of the South African Chloride Company and R25m for minority interests in Macdem, which is South Africa's largest manufacturer of copper, brass and bronze semis, and Jacksons, the stainless steel and non-ferrous products distributor.

Mr Richard Savage, the chief executive, believes that trading conditions will be more difficult this year and that emphasis will be on integration and consolidation of the acquisitions. In addition it is hoped to improve returns on the non-ferrous interests.

A total dividend of 70 cents has been declared from earnings of 190 cents a share. In 1980 earnings were 144 cents a share from which a 50 cents total dividend was paid.

COMMODITIES/REVIEW OF THE WEEK

Extra supplies ease tin price pressure

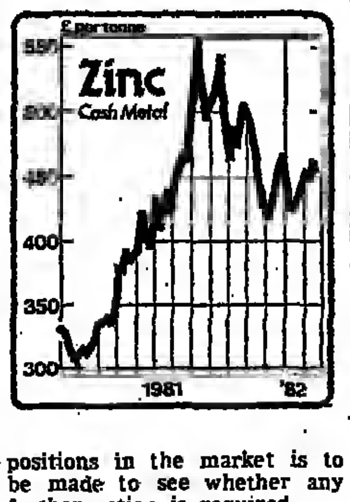
BY OUR COMMODITIES STAFF

CASH TIN prices fell sharply on the London Metal Exchange yesterday, following freer offerings of nearby supplies. At close cash tin was £215 down on the day, and £340 on the week, at £8,730 a tonne after reaching an all-time peak of £8,988 on Wednesday. The three months quotation lost £55 yesterday to close £167.5 lower on the week at £7,855.

Traders said yesterday's price decline was triggered off by reports of another hefty rise in LME warehouse stocks. It is believed that several boats carrying tin have arrived, some earlier than expected and this brought increased offerings of cash tin in a somewhat unresponsive market.

Earlier in the week the Malaysian Prime Minister announced that Malaysia was planning to cut back tin production, even if other countries failed to agree. Talks are to be held with Indonesia next week to discuss a possible tin producers' association.

Meanwhile the Malaysian Prime Minister attacked the decision by the Metal Exchange to impose a limit of £120 a tonne premium on cash tin for delivery the following day. He claimed this move was designed to help speculators keep prices down. This was strongly denied by the Metal Exchange, who pointed out that the cash price had risen strongly. Another check on positions in the market is to be made to see whether any further action is required.



Other base metal markets ended the week marginally lower.

Copper was depressed by the prospects of higher U.S. interest rates and cuts in U.S. producer prices. But values were held up by reports of renewed transport problems affecting Zambian shipments and a cutback in Chilean wirebar production.

The final settlement of the Tara Mines strike in Ireland, after a stoppage lasting seven months, brought some selling in lead and zinc. Lead was further depressed by another round of U.S. producer price cuts of 2 cents to 28 cents a pound and rumours of discounting at the lower level. Cash lead was £14.25 down on the week at £329.25 a tonne, after losing £23 the previous week.

After fluctuating widely coffee prices finished the week with substantial gains. The tight nearby supply situation brought a rapid recovery as sellers were forced to cover their positions. After gaining a further £48.50 yesterday the May position on the London futures market ended the week £78.50 higher at £1,317 a tonne, the highest level for 18 months.

Dealers explained that the tightness of supplies resulted from the fact that most countries' quotas for the first quarter of this year under the International Coffee Agreement were already spoken for and some sales had been made against April-June quotas.

In contrast natural rubber prices continued to be depressed by gloom on the economic front which has deepened following the renewed rise in U.S. interest rates. The effects are being felt with increasing severity in the motor industry, the biggest user of rubber.

RSS No. 1 spot rubber on the London physical market fell to the lowest level since April 1978 at one stage before ending 0.75 down on the week at 47.25p a kilo.

Sugar traded in a narrow range, and the May position on the London futures market finished £0.225 up on the week at £178.925.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981/82 High	1981/82 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1035/1113	-25	$1435/465	$1500/1530	$1015/045
Antimony					
Free Market 99.5%	$3250/3350	-100	$3120/170	$3200/3260	$2250/350
Copper-Cash High Grade	£862	-4.75	£774.6	£1,023.3	£735
3 months Do. Do.	£825.3	-6.25	£787.25	£1,052.75	£777.5
Cash Cathodes	£866	-4.23	£773.5	£1,023	£743.3
3 months Do.	£892.26	-5.25	£786.5	£1,046	£765.6
Gold per oz	$378.75	-6	$493.6	$601	$372
Lead Cash	£366.25	-14.25	£294.75	£508	£273.75
3 months	£332.85	-15.5	£304.76	£499.6	£288.65
Nickel	£3771.7	—	£3,156	£4,216.88	£2,813
Free Market c.i.f. lb	260/280c	-3	275/280c	260/310c	285/275c
Platinum per oz	£260	—	£302	£260	£208
Free Market per oz	£198.70	-0.3	£205.70	£250.90	£185.60
Quicksilver (76lbs)	$390/400	+30	$390/400	$428/438	$350/360
Silver per oz	463.65p	+6.05	361.40p	571.80p	418.80p
3 months per oz	478.95p	+7.75	568.00p	593.70p	487.00p
Tin cash	£8,730	-240	£6,932.5	£8,985	£5,700
3 months	£7,880	-142.6	£6,077.6	£8,657.5	£5,865.5
Tungsten Ind	$125.64	—	$144.72	$146.08	$125.54
Wolfram 22.04 lb	$185/130	—	$149/152	$131/155	$120/125
Zinc cash	£438	-5	£312.5	£533.5	£306.3
3 months	£475.75	-5	£324.25	£586.5	£312.23
Producers	$875/850	—	$825	$1000	$823
GRAINS					
Barley Futures	£110.50w	-0.3	£98.70	£111.80	£94.40
Maize French	£133.50	+0.25	£125	£134.50	£119.75
WHEAT Futures	£115.10w	—	‡	£121.10	£99.10
Hard Winter Wheat	£115.75z	—	£104.50	£124	£102.0
SPICES					
Cloves (g)	£5,400x	-135	£4,000	£6,000	£3,800
Pepper, white	$1,975x	-85	$2,025	$2,150	$1,850
black	$1,450x	+25	$1 600	$1,650	$1,325
OILS					
Coconut (Philippines)	$535x	-10	$590	$640	$520
Groundnut 5%	$575v	—	‡	‡	‡
Linseed, Crude		—	£400	£460	£400
Palm Malayan	$535z	—	$610	$645	$473
SEEDS					
Copra (Philippines)	$550	+5	$390	$430	$335
Soyabeans (U.S.)	$260	-3.78	$303	$340	$245
OTHER COMMODITIES					
Cocoa Shipment	£1,259	+2	£926	£1,416	£850
Cocoa Futures May	£1,172.5	-3	£969.5	£1,315	£789
Coffee Futures Mar	£1,317	+66.5	£1013.5	£1,317	£733.5
Cotton Index	70.05c	-0.55	93.30c	101.15c	67.20c
Des Coconut	£583	—	£640	£620	£525
Gas Oil Fut. Mar	$278.25	-8	$819	$329	$265.75
Jute LJ ABW C grade	$265x	—	‡	$267	$219
Rubber kilo	47.25p	-0.75	55.5p	65.25	47p
Sago Pearl	£285x	—	£200	£258	£197
Sisal No. 3L	£640/650x	—	£780	£780	£640
Sugar (Raw)	£158x	-2	£368	£313	£148
Tapioca No. 1	£290x	-5	£207	£255	£207
Tea (quality) kilo	183p	—	120p	140p	117p
(plain) kilo		—	55p	67p	58p
Wooltops, 64s Warp.	387p kilo	+5	509p kilo	400p kilo	394p kilo

† Unquoted. (g) Madagascar. (u) April. (w) May. (v) May-June. (x) Feb-Mar. (z) March. * Nominal. § Ghana cocoa.

MARKET REPORTS

BASE METALS

BASE-METAL PRICES were easier on the London Metal Exchange. Tin came under pressure as freer offerings of cash metal and talk of fresh arrivals into LME warehouses saw cash close at £8,720 and three months at £7,860. Copper was finally £897, Lead £338 and Zinc £457.5. Nickel attracted good support and touched £3,200 before closing at £3,180 while Aluminium was persistently sold and finally £606.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGrade				
Cash	866-.5	+.3	867.5-8.5	+.72
3 mths	894.5-5	.....	895-6	-.75
Settlem't	866.5	+.3	—	.....
Cathodes				
Cash	865-.5	+1.5	864-6	—
3 months	892-.5	+.3	892-.6	-.75
Settlem't	865.3	+1.5	—	.....
S. Prod.	—	.....	*70.5-52	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £866.00, 66.50, three months £893.50, 94.00, 94.50, 95.00. Cathodes, cash £865.50, three months £892.50. Kerb: Higher Grade: Three months £894.50, 95.00, 94.50, 94.00, 93.50, 93.00. Afternoon: Higher Grade: Three months £897.00, 96.0, 96.50, 97.00, 97.50, 96.00. Kerb: Higher Grade: Three months £895.50, 96.00, 96.50, 97.00. Turnover: 12,125 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8830-70	-125	8720-40	-215
3 months	7900-80	-70	7870-90	-50
Settlem't	8870	-110	—	.....
Standard				
Cash	8830-70	-125	8720-40	-218
3 months	7875-900	-82.5	7850-60	-55
Settlem't	8870	-112	—	.....
Straits E.	‡33.90	-0.25	—	.....
New York	—		—	

Tin—Morning: Standard, cash £8,900, 8,800, 70, 50, three months £7,980, 80, 70, 75. Kerb: Standard, cash £8,030, late-Feb £8,550, three months £7,880. Afternoon: Standard, cash £8,750, three months £7,880, 90, 85, 70, 80, 65, 80. Kerb: Standard, three months £7,850, 80. Turnover: 2,685 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	330.5-1.5	-1.75	326-.5	-0.25
3 months	342.5-.5	-.5	339-.5	-5.5
Settlem't	351.5	-1.5	—	.....
U.S. Spot	—	.....	*28	.....

Lead—Morning: Three months £345.00, 44.00, 44.50, 43.00, 42.50, 42.00, 42.50. Kerb: Three months £342.00, 41.00, 40.00, 39.00, 38.00. Afternoon: Three months £339.00, 40.00, 41.00, 40.00, 39.00. Kerb: Three months £338.00, 38.00, 38.50, 38.00, 37.00, 38.00. Turnover: 8,875 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	456-7	-4	451.5-2.5	-7.25
3 months	482-.5	-2.5	457.5-8	-0.87
S'ment	457	-4	—	.....
Primw'ts	—	.....	*42.75-3.75	—

Zinc—Morning: Three months £462.00, 61.00, 60.00, 61.00, 62.00. Kerb: Three months £462.00, 61.00, 60.00, 59.00. Afternoon: Three months £460.00, 59.00, 58.00, 57.50. Kerb: Three months £456.50, 56.00, 55.00, 56.00, 57.00. Turnover: 15,200 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	593-.5	—	589-90	-5
3 months	612-.3	-5.5	608-10	-7.25

Aluminium—Morning: Cash £592.00, 93.00, three months £613.00, 12.00, 11.50, 12.00. Kerb: Three months £613.00, 12.50, 12.00, 11.00, 12.00. Afternoon: Three months £611.50, 11.00, 10.50, 10.00, 09.50, 09.00. Kerb: Three months £09.00, 08.00, 07.00, 07.50, 07.00, 06.50, 06.00, 06.50. Turnover: 13,400 tonnes.

Nickel—Morning: Cash £3,150, three months £3,170, 65, 70, 68. Kerb: Three months £3,165. Afternoon: Cash £3,125, three months £3,160, 70, 75. Kerb: Three months £3,190, 90, 3,200, 3,190, 80. Turnover: 624 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3150-5	+35	3125-30	+7.5
3 months	3157-8	+33.5	3170-80	+22.5

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 1.5p an ounce higher for spot delivery in the London bullion market yesterday at 463.95p. U.S. cent equivalents of the fixing levels were: spot 851.8, down 4.2c; three-month 883.0c, down 5.6c; six-month 914 5c, down 5.2c; and 12-month 980.5c, down 8.3c. The metal opened at 465-469p (857-862c) and closed at 466-470p (858-563c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	463.95p	-1.50	468.5p	+1.5
3 months	478.25p	-1.00	483.3p	+8.75
6 months	493.65p	-0.55	—	.....
12months	587.00p	+2.05	—	.....

LME—Turnover 42 (89) lots of 10,000 ozs. Morning: Three months 480.0, 79.5, 80.0. Kerb: three months 480.5. Afternoon: three months 483.0. Kerb: untraded.

COCOA

Futures remained steady within a narrow range as consumer offtake coupled with weaker sterling absorbed trade hedging of modest producer sales, reported Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	1217-18	+2.6	1220-09
May	1172-73	—	1173-65
July	1182-83	+3.5	1183-75
Sept	1182-90	+1.5	1163-87
Dec	1203-06	—	1807-02
March	1661-25	+0.05	1224-21
May	1210-33	-9.5	1234

Sales: 1,358 (3,163) lots of 10 tonnes.

ICCO—Daily price for Feb 12. 65.20 (85.89). Indicator price for Feb 15. 95.40 (95.54).

COFFEE

A sharply higher opening and continued strength took most values to fresh contract highs, reports Drexel Burnham Lambert. A disappointing "C" opening prompted dealer liquidation and trade selling. Further short-covering before the close kept prices above the lows.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1388-89	+38.0	1425-75
May	1316-18	+48.5	1326-80
July	1252-54	+33.5	1262-32
Sept	1218-20	+16.5	1233-11
Nov	1202-10	+12.5	1216-12
January	1190-10	+15.5	1210
March	1180-05	+5.0	—

Sales: 6,527 (5,739) lots of 5 tonnes.

ICO Indicator prices for February 11 (U.S. cents per pound). Comp. daily 1979 137.42 (137.31): 15-day average 129 79 (128.85).

GAS OIL FUTURES

A strong New York caused the market to open higher before drifting off on weaker physical prices. Uncertainty about the Middle East prompted additional short-covering which with the continuing strength of New York kept prices firm, reports Premier Man.

Month	Yesterday's close	+ or —	Business Done
	$ U.S. per tonne		
February	280.00	—	281.00-77.00
March	272.25	+1.25	274.00-68.50
April	267.00	+1.50	268.00-64.50
May	266.73	-2.00	268.00-63.50
June	267.75	+2.25	268.00-64.00
July	268.00	-2.00	268.00-64.75
August	270.50	—	—
Sept.	273.00	+1.00	—
Oct.	281.50	+3.50	—

Turnover, 1,535 (1,303) lots of 100 tonnes.

GRAINS

The market opened mostly unchanged. Barley traded easier but picked up on the close, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Mar..	111.65	+0.15	107.30	—
May..	113.10	+0.10	110.50	-0.05
July..	118.65	+0.05	—	—
Sept.	106.70	+0.20	102.30	+0.05
Nov..	110.35	+0.20	106.15	-0.15
Jan..	114.20	+0.30	109.85	-0.15

Business done—Wheat: Mar 111.30-111 15, May 115.15-114.95, July 118.70-118.60, Sept 106 75-106 50, Nov 110.30-110 10, Jan 114.10-113.50. Sales: 174 lots of 100 tonnes. Barley: Mar 107.50-107.40, May 110.65-110.45, Sept 102.25-102.20, Nov 106.05-106.00, Jan no trades. Sales: 130 lots of 100 tonnes.

LONDON GRAIN—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: Feb 121.25, March 123.25 transhipment East Coast sellers. U.S. Hard Winter, 13½ per cent: March 118.75 transhipment East Coast quoted. English Feed, fob: Spot 115.50 traded South Coast, March 115, April 116.25 sellers East Coast. Maize: French: Feb 133.50, March 134.50 transhipment East Coast. Barley: English Feed, fob: April/June 114 50 paid East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 110.70, E. Mids 110.00, N. East 110.00. Feed barley: Eastern 105.00, E. Mids 105.10, N. East 106.30, Scotland 108.00. The UK Monetary Coefficient for the week beginning Monday February 23 (based on HGCA calculations using three days exchange rates) is expected to remain unchanged.

RUBBER

The London physical market opened slightly steadier, attracted little interest throughout the day and closed quiet and slightly easier. Lewis and Peat recorded a March fob price for No. 1 RSS in Kuala Lumpur of 205.0 (203.0) cents a kg and SMR 20 181.5 (180.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Mar	47.60-48.50	47.30-47.40	47.90
April	48.50-49.00	48.20-48.40	—
Apl-Jne	49.60-49.80	49.20-49.30	50.00-49.60
Jly-Sept	53.00-53.10	52.70-52.80	53.60-52.30
Oct-Dec	56.30-56.40	55.10-56.20	56.00-56.25
Jan-Mar	58.60-59.70	59.30-59.50	60.00-59.50
Apl-Jne	62.40-62.70	62.40-62.50	—
Jly-Sept	65.60-65.80	65.30-65.50	66.10
Oct-Dec	68.60-68.80	68.40-68.50	69.10-68.80

Sales: 167 (136) lots of 15 tonnes, 4 (20) lots of 5 tonnes.

Physical closing prices (buyers) were: spot 47.25p (47.00p); March 50.00p (49.75p); April 49.75p (49.50p).

SOYABEAN MEAL

The market opened slightly easier in thin conditions, reports T. G. Roddick. Prices improved on weaker sterling but met commission house selling.

	Yesterdays Close	+ or —	Business Done
	£ per tonne		
February	129.00-35.a	-0.50	—
April	151.40-51.5	-0.15	132.40-31.50
June	129.80-30.a	-0.55	130.80-30.00
August	150.80-50.8	-0.55	131.50-31.00
October	151.00-51.8	+0.60	—
Dec	132.00-34.0	—	—
Feb	135.00-36.a	—	—

Sales: 124 (168) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £168.00 (same) a tonne cif Feb-March shipment. White sugar daily price £180.00 (£179.00).

The market moved higher after Colombia sold 24,000 tons for March shipment at constructive prices, reports C. Czarnikow.

No.4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	175.85-76.80	176.15-76.25	176.55-75.05
May	178.05-78.08	178.85-78.75	178.40-77.50
Aug	182.20-82.25	181.60-81.70	182.40-81.00
Oct	185.35-85.50	184.65-84.40	185.50
Jan	188.55-87.80	185.60-86.00	186.25
March	190.18-90.40	189.45-89.50	190.50-89.00
May	192.00-95.50	191.50-92.75	—

Sales: 4,080 (3,582) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £276.00 (same) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Feb 11: Daily price 13.05 (13.01): 15-day average 13.26 (13.23).

AMERICAN MARKETS

NEW YORK, February 12.

Technical selling in the grains and soyabeans continued the recent downward trend. Poor export sales in cotton kept the market at lower levels. Cocoa finished on a firmer note on local and commission house buying. Coffee was mixed with profit taking in the near-by months offset by buying in distant deliveries, reported Heinold.

Copper—Feb 71.60 (71.40), March 71.95-72.10 (71.85), April 73.05, May 74.10-74.20, July 76.00, Sept 78.05, Dec 79.70, Jan 81.63, March 83.55, May 85.25, July 87.05, Sept 88.85, Dec 91 55.

Potatoes (round whites)—March 83.5-84.0 (83.5); April 9.11-9.13 (90.9), Nov 80.0. Sales: 711.

§Silver—Feb 860.5 (881.5), March 864.0,866.0 (866.0), April 978.1, May 886.0-889.0, July 910.0-911.0, Sept 933 3, Dec 967.1, Jan 978.3, March 1000.8, May 1023.3, July 1045.8, Sept 1068.3, Dec 1101 8. Handy and Harman bullion spot: 861.00 (866.00).

Sugar—No. 11: March 13.56-13.58 (13 51), May 13.61-13.67 (13.65). July 13 76, Sept 13.88-13.89, Oct 14.02-14.05, Jan 14.24, March 14.52-14.58, May 14 55-14.70, July 14.70-14 95. Sales: 5,784.

Tin—728 00-745 00 (748.00-763.00).

*Gold—Feb 378.3-379 0 (377 3), March 382.0 (379.3), April 384.5-385.2, June 393.7-394.3, Aug 402 2-402.5, Oct 413.1, Dec 422.0-422.5, Feb 433.1, April 443.3, June 453.7, Aug 464.1, Oct 474.8, Dec 485.8.

*Platinum—April 370.0-370.7 (371.3), July 380 0 (380.8), Oct 389 0, Jan 403.6, April 418.6.

CHICAGO, February 12

Lard — Chicago loose 22.50 (same). Live Cattle—Feb 64.20-64.30 (64.27), April 62.85-62.90 (62 87), June 61.70-61.55, Aug 60.30-60.50, Oct 58.50-58.40, Dec 58.80-59 00.

Live Hogs—Feb 50.0-50.10 (50 15), April 46.50-46.20 (46.42), June 49.30-49.05, July 49 70-49 93, Aug 48.90-48.97, Oct 47.15, Dec 48 00, Feb 48 50.

‡‡Maize—March 269¾-270¼ (271¼), May 281¼-281½ (282¾), July 290½-291, Sept 294¾, Dec 301¾-301½, March 313½-313¾.

Pork Bellies—Feb 68.60-68.27 (68.47), March 68.00-67.70 (68.17), May 68.47-68.60, July 68.65-68.50, Aug 66.80-67.00.

†Soyabeans—March 625-626 (629), May 642½-642 (646½), July 658¾-659, Aug 664-664½, Sept 665¾, Nov 675-675½, Jan 688, March 703.

‖Soyabean Meal—March 187.0-187.3 (187.7), May 188.0-187.9 (188.4), July 191.2-191.0, Sept 194.5, Oct 195.0-194.5, Dec 198.5-187.7, Jan 199.5.

Soyabean Oil — March 18.81-18.78 (16.08), May 19.55-19.59 (19.89), July 20.20-20.15, Aug 20 50, Sept 20.84-20.80, Oct 21.15-21.10, Dec 21.60-21.55, Jan 21 82-21 80, March 22 40.

†Wheat—March 366¾-366½ (369¾), May 378½-378 (382¾), July 388-387¾, Sept 403, Dec 424-424½, March 440.

WINNIPEG, February 12

§Barley—March 127.10 (127.10), May 130.20 (130.00), July 133.70, Oct 135 00, Dec 135 00.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 247.79 (248 64).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56 lb bushel. † Cents per 60 lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing prices

NEW YORK, February 11.

††Cocoa—Mar 1953 (1963), May 1987 (2000), July 2006, Sept 2045, Dec 2070, Mar 2095. Sales: 3,517.

Coffee—"C" Contract: Mar 158 25-159.90 (157 75), May 143.00-143 30 (140.15), July 134.50-134.75, Sept 129.50-130.00, Dec 125.50, Mar 122.20-122.75, May 119.00-124.00, July 117.00-123.00. Sales: 2,960.

Cotton—No. 2: Mar 63 0-63 05 (63.02), May 65 25-65.35 (65.36), July 67.41-67.50, Oct 70.10, Dec 71.35-71.40, Mar 73.01, May 74 00-74.50, July 74.75-75 50. Sales: 5,850.

Orange Juice—Mar 132.75 (137.75), May 138 15 (141.15), July 139.35, Sept 141.80, Nov 143 40, Jan 144.50, Mar 145.75, May 146.80, July 147.10. Sales: 3,000.

CHICAGO, February 11.

Chicago Imm Gold—Mar 378.5-379.0 (386 21), June 392.7-393.0 (403.6), Sept 407.0, Dec 422.0, Mar 437 5, June 452 8, Sept 468.3.

INDICES

FINANCIAL TIMES

Feb. 11	Feb. 10	Month ago	Year ago
249.33	250.32	248.66	251.86

(Base: July 1, 1952=100).

DOW JONES

Dow Jones	Feb. 11	Feb. 10	Month ago	Year ago
Spot	129.12	130.08	126.52	460.88
Futr's	133.58	135.13	134.01	437.85

(Base: December 31, 1974=100)

MOODY'S

Feb. 11	Feb. 10	Month ago	Year ago
1013.1	1014.5	1002.7	1149.8

(December 31, 1931=100)

REUTERS

Feb. 18	Feb. 11	M'nth ago	Year ago
1683.0	1619.8	1524.0	1695.0

(Base: September 18 1931=100)

POTATOES

LONDON POTATO FUTURES—An early rise due to a further increase in Amsterdam prices was heavily sold into, reports Coley and Harper. Closing prices: April 131.30, -0.90 (high 135.00, low 131.30); Nov 67.50, -0.30 (high 67.50, low 67.30); Feb 78.30, -0.20 (high 78.50, low 78.30). Turnover: 686 (940) lots of 40 tonnes.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £4.00-£4.80, codlings £2.80-£3.60. Large plaice £3.60-£3.90, medium £2.80-£3.59, best small £3.20-£3.70. Lemon soles (large) £14.50, medium £11.00, Rockfish £3.70.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ⊕ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (1,031)

BREWERIES (568)

COMMERCIAL (10,224)

A—B

Astbury Madeley (Hldgs) (20p) 91
Astra Indstl Grp (10p) 13 ½ ¼ 4
Atkins Bros (Hosiery) 57
Audio Fidelity (10p) 15
Audiotronic Hldgs (10p) 6
Ault Wiborg Grp 30 1
Aurora Hldgs 18 0. 8pcPf (£1) 38. 8.25 pcPf (£1) 37

Brownless 65
Brunning Group 100 (9/2). Rst.V 82
Bryant Hldgs 79½ 80 1
Bulpin (A. F.) A N-V 21‡ 1 ½ ¾‡
Bullough (20p) 180 2 3‡
Bulmer and Lamb (Hldgs) (20p) 44 5 (10/2)
Bunzl Pulp and Paper 170 3 5‡ 5 ⁹⁄₃₂‡ 6 0

C—D

E—F

G—H

Gartons (10p) 10
Gaskell Broadloom (20p) 37½ (9/2)
Gates (Frank G.) 60 (10/2)
Gaunt (Rowland) 45 (9/2)
Geers Gross (10p) 112 4 (10/2)
Geller (A. J.) (20p) 53 (10/2)
General Electric ($2.50) 32⅝⊕
General Electric 826 8 30 1 2 3‡ 3 4 5 ½ 6 7 6 9 40 1 2 4
General Instrument Con. $59 (9/2)
Gestetner Hldgs. 70 (8/2). A 62 ½ 3 5. A Cap. 60⊕. 10pcLn. 68
Gibbs and Dandy A (10p) 78 (10/2). N-V A 22⊕
Gieves Grp. (20p) 39 (10/2)
Gill and Duffus Grp. 181 2 3 5‡ 6

I—J—K

L—M

MFI Furniture Group (10p) 58 9 ½ 60 2
MK Electric Group 275 7 8 80
ML Hldgs 295 8 70‡ 70
MY Dart (10p) 28. Dfd (10p) 17
Macarthys Pharmaceuticals (20p) 134 5 8 7
McCorquodale (50p) 137 8 49‡ 40 ½‡ 1
Macfarlane Group (Clansman) 70 1 (9/2)
Mackay (Hugh) 45 6 (8/2)
McKechnie Bros 109 10
MacLellan (P. W.) (20p) 30
Macpherson (Donald) Grp. 79 ½ 8‡
Magnet Southerns 152 3 4 5 6 7
Magnolia Grp. (Mouldings) (10p) 59 (9/2)
Makin (J. J.) Paper Mills 160 (8/2)
Management Agency and Music (10p) 113

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (383)

INSURANCE (419)

INVESTMENT TRUSTS (484)

UNIT TRUSTS (11)

MINES—Miscellaneous (258)

MINES—South African (118)

OIL (770)

PROPERTY (453)

LONDON TRADED OPTIONS

Feb. 12 Total Contracts 5,920. Calls 2,997. Puts 325.

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP (c)	300	10	—	12	13	26	—	290p
BP (c)	360	5	1	9	—	—	—	"
BP (p)	300	29	—	22	20	34	—	"
CU (c)	140	9	2	11	4	15	—	152p
Cons. Gld (c)	420	67	2	80	—	90	—	469p
Ctlds. (c)	50	32	3	34	—	—	—	80p
Ctlds. (c)	70	12½	10	16	—	18½	3	"
Ctlds. (c)	80	7½	3	9	15	11½	—	"
GEC (c)	800	54	7	89	—	97	—	829p
GEC (c)	850	29	10	50	—	70	—	"
GEC (p)	700	3	—	5	3	—	—	"
GEC (p)	750	7	—	19	—	—	—	"
GEC (p)	800	20	29	28	—	37	—	"
GEC (p)	850	42	—	47	—	53	—	"
Gr'd Met. (c)	140	53	1	60	—	—	—	199p
Gr'd Met. (c)	160	33	1	40	—	—	—	"
Gr'd Met. (c)	180	19	12	29	9	31	—	"
Gr'd Met. (p)	220	9	29	12	—	12	—	"
Gr'd Met. (c)	200	14	9	19	2	91	—	"
ICI (c)	260	90	5	96	—	—	—	346p
ICI (c)	300	50	44	58	—	62	3	"
ICI (p)	330	27	29	39	—	42	—	"
ICI (c)	360	10	26	21	—	30	—	"
ICI (p)	330	11	10	20	3	24	—	"
ICI (p)	360	30	49	34	—	40	—	"
Land Sec. (c)	280	34	3	40	—	60	—	300p
Mks & Sp. (c)	120	24	3	29	—	—	—	141p
Mks & Sp. (c)	150	14	2	17½	3	23	—	"
Mks & Sp. (c)	140	7	9	11	—	19	—	"
Mks & Sp. (c)	160	9½	—	4	2	7	—	"
Shell (c)	360	15	—	28	—	38	—	364p
Shell (c)	420	3	1	8	—	—	—	"
Shell (p)	360	18	—	24	19	28	—	"
Shell (p)	390	38	15	40	—	44	—	"
		February		**May**		**August**		
Barclays (c)	460	13	5	31	—	48	—	468p
Barclays (c)	500	1½	—	13	2	28	4	"
Barclays (p)	460	9	—	17	—	20	3	"
Barclays (p)	500	35	1	40	1	43	—	"
Imperial (c)	80	52½	55	35	—	37	—	88p
Imperial (c)	60	22½	4	89	3	27	4	"
Imperial (c)	70	12½	77	18	111	18½	4	"
Imperial (c)	80	4	41	7½	1331	12	47	"
Imperial (c)	90	1½	—	3½	66	6½	153	"
Imperial (p)	80	2	—	3½	10	4	10	"
Lasmo (c)	360	4	—	29	7	40	—	337p
Lasmo (c)	360	2	—	7	2	32	—	"
Lasmo (c)	500	½	—	9	25	—	—	"
Lonrho (c)	70	12	154	15	14	17	1	80p
Lonrho (c)	80	4	78	7½	166	9	17	"
Lonrho (c)	20	½	58	3½	147	5½	13	"
Lonrho (c)	100	¼	35	—	—	—	—	"
Lonrho (p)	70	¾	3	1½	—	4	—	"
Lonrho (p)	80	1¼	99	5	16	7½	2	"
Lonrho (c)	90	10	198	11	72	13	7	"
Lonrho (p)	100	20	2	—	—	—	—	"
P & O (c)	130	6	12	12	5	20	4	134p
P & O (c)	140	2	—	9	8	15	—	"
P & O (c)	160	1	—	6	7	10	25	"
Racal (c)	360	20	9	38	—	60	—	375p
Racal (c)	390	7	10	23	9	32	8	"
Racal (c)	420	1	—	11	10	22	—	"
Racal (p)	390	18	4	25	46	30	—	"
Racal (p)	420	48	7	52	5	55	—	"
RTZ (c)	360	53	18	80	1	90	—	444p
RTZ (c)	420	27	—	50	—	65	—	"
RTZ (c)	460	7	—	20	6	40	3	"
RTZ (p)	420	4	—	12	1	17	—	"
RTZ (p)	460	22	—	34	8	34	8	"
RTZ (p)	550	114	2	115	10	—	—	"
Vaal Rfs. (c)	55	5	—	2½	1	12½	—	$63
Vaal Rfs. (c)	60	2	10	5¾	9	7¼	—	"
Vaal Rfs. (c)	70	½	—	3	—	3¼	1	"
Vaal Rfs. (p)	60	3	11	5¼	—	7	—	"

C=Call P=Put

[illegible]

PLANTATIONS (40)

[illegible]

RAILWAYS (7)

[illegible]

SHIPPING (115)

[illegible]

UTILITIES (18)

[illegible]

UNLISTED SECURITIES MARKET (235)

[illegible]

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

[illegible]

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

[illegible]

Cand. Bank of Wales 100 2 (8/2)
East Anglian Secs. 202 4 3 (5/2)
Exceem 57 60 (9/2)
Greater Manchester Independent Radio 80 ½ (10/2)
CNA Grp. Tst. 18½ ½ (10/2)
Hemerdon Mining and Smelting 00 (10/2)
Home Brewery 520 30 (5/2)
Intervision Video (Hldgs.) Prf. 34½ 5 ¾ 9
Intervision Video (Hldgs.) 7pcCnv.Pr. 120 20 (10/2)
Irish Press 85 (10/2)
Jersey Gas 120 (5/2)
Jersey New Waterworks 550 (9/2)
Jessel Trust 9 ¼
Jessel Trust 10pcPf 56 (5/2)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

[illegible]

Caledonian Offshore 85 7
Candecca Resources 156 7 8 9 90 ¼ 1 3
Eglington Oil and Gas 65
Kenmare Oil Exp. 15
Marlner Petroleum 95 100
Moray Firth Exp. (50p paid) 100
Steaua Romana (British) 40 ½ 9
Steaua Romana (British) New (1nil paid) 4 5
Steaua Romana (British) Ord. (5p) 59½ 40
Sun Oil Company (UK) Oil Royalty Stock 190 200

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FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

MONEY MARKETS

London clearing bank base lending rates 14 per cent (since January 25)

Day to day credit was in short supply in the London money market yesterday. The Bank of England gave a forecast of a shortage of £450m, with bills maturing in official hands and a net take up of Treasury bills accounting for £177m and Exchequer transactions £95m. In addition note circulation rose by £150m. The Bank gave assistance of £450m in the morning, comprising purchases of £16m of eligible bank bills in band 1 (up to 14 days) at 13⅞ per cent and £193m in band 2 (15-33 days) at 13⅞ per cent. In band 3 (34-63 days) it bought £128m of eligible bank bills at 13⅞ per cent and in band 4 (64-91 days) £33m of Treasury bills, £14m local authority bills and £66m eligible bank bills all at 13⅞ per cent.

Further assistance was given in the afternoon after the Bank had revised its forecast to a shortage of £500m before taking into account the morning's operations. The afternoon help comprised purchases of £51m of bills, making a grand total of £501m, buying £12m of eligible bank bills in band 1 at 13⅞ per cent, £12m in band 2 at 13⅞ per cent and £6m of Treasury bills in band 3 at 13⅞ per cent. It also bought £21m of local authority bills in band 4 at 13⅞ per cent.

In the interbank market weekend money opened at 14½-14¾ per cent and eased to 14¼-14½ per cent where it spent most of the morning. Rates eased further after the Bank's assistance in the market and touched a low of 13½-13¾ per cent in the afternoon before late demand pushed up the cost of closing balances to 20 per cent.

THE POUND SPOT AND FORWARD

Feb 12	Day's spread	close	One month	% p.a.	Three months	% p.a.
U.S.	1.8315-1.8475	1.8390-1.8410	0.24-0.34c dis	−1.89	0.78-0.88dis	−1.80
Canada	2.2220-2.2370	2.2390-2.2410	0.15-0.25c dis	−1.07	0.65-0.80dis	−1.29
Nethlnd.	4.79-4.82	4.80½-4.81½	1⅝-1⅛c pm	3.43	5¼-4⅝ pm	4.05
Belgium	74.40-74.80	74.65-74.75	18-28c dis	−4.50	70-90 dis	−4.28
Denmark	14.28-14.36	14.33-14.34	1½-2½ore dis	−1.57	5½-7 dis	−1.74
Ireland	1.2420-1.2490	1.2450-1.2470	0.39-0.50p dis	−4.28	1.22-1.34dis	−4.11
W. Ger.	4.36-4.40	4.38½-4.39½	1½-1¼pf pm	3.76	4⅞-4⅜ pm	4.21
Portugal	127.00-128.00	127.60-127.90	40-160c dis	−5.39	145-400 dis	−8.53
Spain	184.70-185.20	185.00-185.20	5-30c dis	−1.13	70-100 dis	−1.84
Italy	2,330-2,342	2,338½-2,339½	11½-14½ lire dis	−6.54	42-45 dis	−7.44
Norway	10.96-11.07	11.00-11.02	1½-¼ore pm	1.36	2-1 pm	0.54
France	11.07-11.13	11.10½-11.11½	½-1½c dis	−0.67	2-3 dis	−0.90
Sweden	10.60-10.67	10.64-10.65	¼ore pm-½ dis	−0.07	2½-2 pm	0.89
Japan	436-440	437½-438½	2.80-2.50y pm	7.26	8.70-8.40 pm	7.81
Austria	30.65-30.80	30.68-30.73	15½-12½gro pm	5.47	42-35 pm	5.01
Switz.	3.50½-3.53½	3.51½-3.52½	2-1½c pm	5.96	5⅞-4⅞ pm	5.82

Belgian rate is for convertible francs. Financial franc 82.75-82.85. Six-month forward dollar 1.55-1.65c dis, 12-month 2.55-2.75c dis.

EXCHANGES AND BULLION

The dollar was generally firmer in currency markets yesterday with trading restricted because of the closure of New York markets and a national holiday in the U.S. on Monday. Short covering before the long weekend probably reflected some uncertainty ahead of U.S. money supply figures and speculation that a sharp rise could prompt an increase in the discount rate. However this view was not universally held. The dollar closed at DM 2.3850 against the D-mark up from DM 2.3860 and SwFr 1.9125 in terms of the Swiss franc compared with SwFr 1.8975. It was also higher against the Japanese yen at Y238.25 from Y235.75. Euro-dollar rates were slightly firmer where changed. On Bank of England figures, the dollar's trade-weighted index rose from 112.0 to 112.7.

Sterling was firmer against European currencies but lost ground to the dollar, although it finished well above its lowest level of the day. It opened at $1.8475 and eased steadily to a low of $1.8315 but during the afternoon the dollar tended to fall away and sterling recovered to close at $1.8390-1.8410, the wide spread reflecting thin trading, and showing a fall of 65 points from Thursday's close in London. Sterling's index finished unchanged at 91.6, having stood at 91.5 at noon and 91.6 in the morning. Against the D-mark it rose to DM 4.39 from DM 4.38 and SwFr 3.52 from SwFr 3.51. It was also higher against the French franc at FFr 11.1125 compared with FFr 11.1050.

Gold fell $1¾ an ounce to close at $378¼-379¼, a fall on the week of $5½.

GOLD

	Feb. 12		Feb. 11	
Gold Bullion (fine ounce)				
Close	$378¼-379¼	(£205½-206¼)	$380-381	(£205-208½)
Opening	$378-379	(£205½-205¾)	$384½-385½	(£207½-208)
Morning fixing	$379	(£205.587)	$380	(£206.782)
Afternoon fixing	$377.50	(£206.442)	$380	(£205.405)
Gold Coins				
Krugerrand	$389½-390½	(£211¾-212¼)	$392-393	(£211¾-212¼)
½ Krugerrand	$200½-201½	(£109-109½)	$205-206	(£110¾-111¼)
¼ Krugerrand	$102-103	(£56½-56)	$104-105	(£56¼-56¾)
1/10 Krugerrand	$41¾-42¾	(£22¾-23¼)	$42-43	(£22¾-23¼)
Mapleleaf	$390½-391½	(£212½-213)	$393-394	(£212¼-212¾)
New Sovereigns	$93¾-95¼	(£50½-50¾)	$93½-94	(£50½-50¾)
King Sovereigns	$108-109	(£58¾-59¼)	$109-110	(£58¾-59¼)
Victoria Sovs.	$108-109	(£58¾-59¼)	$109-110	(£58¾-59¼)
French 20s	$90-100	(£49-54½)	$91-101	(£49¼-54½)
50 pesos Mexico	$470-472	(£255½-256¾)	$473-475	(£255½-256)
100 Cor. Austria	$369-371	(£200¾-201¾)	$371-373½	(£200½-201¾)
$20 Eagles	$507-513	(£275¾-279)	$511-517	(£276-279¼)

EXCHANGE CROSS RATES

Feb. 12	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.840	4.390	438.0	11.113	3.520	4.813	2338.	2.240	74.70
U.S. Dollar	0.543	1.	2.386	238.0	6.030	1.913	2.615	1270.	1.217	40.60
Deutschemark	0.228	0.410	1.	99.77	2.531	0.802	1.096	532.5	0.510	17.02
Japanese Yen 1,000	2.283	4.201	10.02	1000.	20.37	8.037	10.99	5337.	5.114	170.6
French Franc 10	0.900	1.656	3.951	394.2	10.	3.168	4.331	2103.	2.016	67.22
Swiss Franc	0.284	0.523	1.247	124.4	3.157	1.	1.367	664.1	0.636	21.22
Dutch Guilder	0.208	0.382	0.912	91.01	2.309	0.731	1.	485.7	0.465	15.52
Italian Lira 1,000	0.428	0.787	1.878	187.4	4.754	1.506	2.059	1000.	0.958	31.96
Canadian Dollar	0.446	0.821	1.960	195.5	4.961	1.571	2.148	1044.	1.	33.35
Belgian Franc 100	1.338	2.463	5.877	586.3	14.88	4.712	6.442	3129.	2.990	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Feb. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¼-14⅜	15¾-16	14¼-15¼	10⅛-10¼	3⅝-3⅞	9½-10⅛	14¼-14¾	—	13-16	6-6¼
7 days' notice	14⅜-14½	15⅞-16⅛	14¾-15¼	10⅛-10⅜	3½-4	10-10⅛	14¼-14¾	19½-21½	14-17	6-6½
Month	14⅛-14⅜	16-16¼	15¼-15⅝	10⅛-10⅜	7⅛-7½	10⅛-10⅜	14½-14¾	20½-21½	17½-16½	6⅛-6⅜
Three months	14⅛-14⅜	16¼-16½	15¾-16	10⅛-10⅜	8⅛-8½	10⅛-10⅜	15-15½	22-22⅝	18-18	6⅛-6⅜
Six months	14⅛-14⅜	16¼-16½	16-16⅜	10⅛-10⅜	8⅛-8⅜	10¼-10⅝	16-16½	22½-23½	18½-19¼	6⅛-6⅜
One Year	14¼-14⅝	16-16¼	16¼-16⅝	10⅛-10⅜	8⅛-8⅜	10¼-10⅝	16¾-26⅛	22⅝-23⅝	17½-18½	6⅝-7⅛

SDR linked deposits: one month 13⅝-13⅞ per cent; three months 13⅝-14 per cent; six months 13¾-14⅛ per cent; one year 13¾-14⅛ per cent.

ECU linked deposits: one month 13⅝-13⅞ per cent; three months 13⅞-13⅞ per cent; six months 13⅞-14⅛ per cent; one year 13⅞-14⅛ per cent.

Asian $ (closing rates in Singapore): one month 16-16⅛ per cent; three months 16⅛-16¼ per cent; six months 16⅛-16⅜ per cent; one year 16⅛-16¼ per cent. Long-term Eurodollar two years 16-16½ per cent; three years 16¼-16⅝ per cent; four years 16¼-16½ per cent; five years 16¼-16½ per cent nominal closing rates.

The following rates were quoted for London dollar certificates of deposit: one month 15.75-15.85 per cent; three months 15.95-16.05 per cent; six months 16.00-16.10 per cent; one year 16.00-16.10 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 12)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 3/8	offer 16 1/2	bid 16 3/8	offer 16 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Feb. 12 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13¼-20	13¼-14½	—	—	14¼-14⅝	13-14¼	—	—	—
2 days notice	—	—	14⅛-14¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14⅜-14½	14¼	—	—	14¼-14⅞	14-14⅛	—	—	—
One month	14⅜-14½	14⅜-14⅝	14⅝	15-14⅝	14⅝	14¾-15	14	13⅞-13⅞	13⅞	14⅞
Two months	14⅜-14⅝	14½-14⅝	—	15-14⅝	14½	15	13¾	13⅞-13⅞	13⅞-13⅞	14¼
Three months	14⅜-14⅝	14⅜-14⅝	14⅝	15-14⅝	14⅝	16	13⅝	13⅞	13⅞-13⅞	14½
Six months	14⅜-14⅝	14⅜-14⅝	14⅝	14-13¾	14⅜	—	—	—	13⅜-13⅝	14⅜
Nine months	14⅜-14⅝	14⅝-14¾	—	14⅛-14½	14⅜	—	—	—	—	—
One year	14⅜-14⅝	14⅝-14¾	14⅝	14½-14⅝	14½	—	—	—	—	—
Two years	—	—	14½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 14⅞ per cent; four years 15 per cent; five years 15 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ per cent; four months trade bills 14½ per cent.

Approximate selling rate for one month Treasury bills 13¾-13⅞ per cent; two months 13⅞ per cent; three months 13⅞ per cent. Approximate selling rate for one month bank bills 13⅞ per cent; two months 13¾ per cent and three months 13¾ per cent; one month trade bills 14⅞ per cent; two months 14¼ per cent; three months 14¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15½ per cent from February 1, 1982. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.7844 per cent.

CURRENCY MOVEMENTS

Feb. 12	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.6	Unval'ble
U.S. dollar	112.7	"
Canadian dollar	88.4	"
Austrian schilling	115.3	"
Belgian franc	103.9	"
Danish kroner	85.4	"
Deutsche mark	130.9	"
Swiss franc	151.0	"
Guilder	113.5	"
French franc	79.7	"
Lira	53.1	"
Yen	137.1	"

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.7132	+2.35	+1.22	±1.5368
Danish Krone	7.91117	8.01076	+1.26	+0.13	±1.6412
German D-Mark	2.40989	2.45088	+1.70	+0.57	±1.1077
French Franc	6.17443	6.21686	+0.69	−0.44	±1.3733
Dutch Guilder	2.66382	2.68632	+0.84	−0.29	±1.5063
Irish Punt	0.684452	0.696235	+1.72	+0.59	±1.6688
Italian Lira	1300.67	1305.97	+0.41	+0.14	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for February 12 .... 0.558532

OTHER CURRENCIES

Feb. 12	£	$		£ Note Rates
Argentina Peso	18,436-18,456†	10,000-10,050†	Austria	30.56-30.86
Australia Dollar	1.6965-1.6985	0.9225-0.9230	Belgium	82.30-83.30
Brazil Cruzeiro	250.49-251.49	136.07-136.76	Denmark	14.28-14.43
Finland Markka	8.326-8.348	4.5205-4.5315	France	11.07-11.17
Greek Drachma	110.414-113.794	61.35-61.55	Germany	4.37-4.41
Hong Kong Dollar	10.85⅛-10.87⅛	5.9090-5.9140	Italy	2310-2375
Iran Rial	150.00*	81.40*	Japan	438-443
Kuwait Dinar (KD)	0.525-0.529	0.2852-0.2854	Netherlands	4.78½-4.82½
Luxembourg Fr.	74.65-74.75	40.61-40.63	Norway	11.00-11.10
Malaysia Dollar	4.2685-4.2725	2.3210-2.3230	Portugal	124-131½
New Zealand Dlr.	2.3225-2.3265	1.2625-1.2635	Spain	184-194
Saudi Arab. Riyal	6.28-6.34	3.4195-3.4215	Sweden	10.60-10.70
Singapore Dollar	3.8875-3.8075	2.1165-2.1185	Switzerland	3.50¼-3.54¼
Sth. African Rand	1.8105-1.8125	0.9840-0.9850	United States	1.83½-1.85½
U.A.E. Dirham	6.75-6.81	3.6715-3.6735	Yugoslavia	94-98

† Now one rate. * Selling rate.

U.K. CONVERTIBLE STOCKS 13/2/82

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Con-version dates‡	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Cnv.¶	Income Div.♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	9.60	297.50	333.3	80-97	4.1	1.3	2.6	− 6 to 4	31.1	88.0	19.6	+17.0
Hanson Trust 6½pc Cv. 88-93	3.92	168.50	114.3	76-83	3.9		−1.7	−54 to −1	8.2	6.2	− 1.2	+ 0.5
Hanson Trust 9½pc Cv. 01-06	43.82	118.00	71.4	85-01	8.6	8.3	10.1	2 to 10	83.7	77.2	− 6.1	−16.2
Slough Estates 10pc Cv. 87-90	5.31	240.00	187.5	78-85	4.2		−3.8	− 8 to −2	27.0	25.1	− 0.8	+ 3.0
Slough Estates 8pc Cv. 91-94	24.88	110.00	78.0	80-91	7.3	6.7	6.0	3 to 10	28.6	44.5	15.3	+ 9.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ‡ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Lower pound induces caution and Gilt-edged ease from six-month highs—Equities end a shade easier

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan 25	Feb 11	Feb 12	Feb 22
Feb 15	Feb 25	Feb 26	Mar 8
Mar 1	Mar 11	Mar 12	Mar 22

* "New time" dealings may take place from 9.30 am two business days earlier.

Gilt-edged investors turned cautious on the downturn in sterling yesterday and quotations for longer-dated Government stocks eased from Thursday's six-month high points. The latest RPI figure showing an inflation rate of 12 per cent for the third consecutive month made little impact on sentiment and short and longer Gilts later edged away from the lowest, despite a slight increase in Treasury bill rate.

Final losses ranged to ⅜ at both ends of the market, but the short tap stock, £20-paid Exchequer 13¼ per cent 1987 A, remained at 20¼; after selling stock at that price on Thursday, the authorities were not bid for supplies yesterday. Against the trend, a small specialist demand raised low-coupon shorts by as much as ½. Treasury 3 per cent 1986 gaining that much to 73. The Convertible Exchequer 12 per cent 1985 also found favour ahead of being quoted ex-dividend on Monday and rose ½ to 93, but the dullness elsewhere was reflected in a loss of 0.30 in the FT Government Securities index at 65.04.

Leading shares closed the extended trading Account on a subdued note, showing little of the volatility which had characterised market earlier in the week. Interest was highly selective and market leader ICI touched a 1981-82 peak of 350p in a brief morning spell of firmness before settling unchanged on balance at 346p; recent investment support has been triggered by hopes that the group will increase the dividend when announcing the preliminary statement on February 25.

FNFC up again

GKN, in contrast, weakened further to 166p for a two-day fall of 14 following confirmation of reported short-time working at the group's North Carolina subsidiaries. After the official 3.30 pm close, when business is permitted without penalty for the Account starting on Monday, many top-name equities picked up the turn. This reduced the 2.6 loss in the FT Industrial Ordinary share index at 2 pm to one of 1.5 at 570.5.

Continuing to reflect bid hopes, First National Finance Corporation improved a penny for a gain on the week of 3½ to 37p. Wagon Finance held at 43p, the 32 per cent setback in annual earnings being offset by the maintained dividend. Elsewhere in the banking sector, Lloyds improved 3 more to 468p, and Barclays edged forward 2 to 470p.

Lloyds Brokers were inclined harder in places aided by currency influences. Minet featured with a rise of 5 to 152p.

Wines and Spirits featured long-time speculative favourite Highland Distilleries, which jumped 8 to 86p following steady new-time support.

Leading Buildings drifted easier on lack of support. Secondary issues displayed a firm feature in HAT Group which put on 4½ to 81½p following the £9m acquisition of Jack Tighe, industrial and commercial painting contractors. Marchwiel hardened a couple of pence to 138p; the preliminary results are due on February 23.

After touching a 1981-82 peak of 350p on new-time interest, ICI drifted off to close unchanged on balance at 346p; the annual results are due February 25. *Croda International* issues were briskly traded and the Ordinary closed 2 cheaper at 80p with the Deferred a penny off at 53p; Burmah's cash offers of 70p and 48p respectively have been extended until February 18.

Frasers wanted

Stores attracted high levels of inquiry, but actual business again left much to be desired and the leaders finished a shade easier for choice. Gussies A dipped to 488p before settling for a net fall of 3 at 490p. By way of contrast, House of Fraser were briskly traded on hopes that a renewed takeover attempt from Lonrho would gain Monopolies Commission acquiescence, and the former rose 4 to 164p, after 168p. Lonrho, which announced better-than-expected preliminary results on Thursday, held at 89p. Polly Peck encountered late speculative support and rose 15 to 345p, while George Oliver A, 120p, and Owen Owen, 222p, added 5 and 4 respectively on similar buying. Home Charm remained firm in the wake of the acquisition of the J. H. Sankey D-I-Y retail chain and added 2 for a two-day gain of 7 to 137p. J. Hepworth, firm of late on takeover hopes, reacted 4 to 92p following put option activity, while *Excalibur Jewellery* eased ½ to 8½p on the lapse into losses in the first-half and the omitted interim dividend.

Among Shoes, Strong and Fisher added a couple of pence to 56p following the disposal of half of the company's holding in G. L. Bowron for £0.46m.

A late bout of support ahead of interim results, due next Thursday, helped Plessey to close 5 better at 370p. Other leading Electricals rarely strayed from the overnight levels. GEC softened a couple of pence to 828p. *Elsewhere*, Sound Diffusion gained 4 to 77p in response to a broker's recommendation. Talk of a pending rights issue saw Unitech ease to 230p before *rallying on a denial to* close a net 3 harder at 235p. First Castle Securities ended 3 dearer at 92p, after 86p, on the profits and dividend forecasts which accompanied the proposed *£2.5m* rights issue. Profit-taking prompted falls of around 10 in Amstrad, 220p, Ferranti, 660p, and Telephone Rentals, 342p. Sonic Tape hardened 2 to 62p; the price in yesterday's issue was incorrect.

GKN remained under selling pressure following reports of adverse trading conditions at its Alamance car components factory and eased afresh to close 8 down for a two-day fall of 14 at 166p. Elsewhere, in the leaders, Hawker eased 4 to 332p. Further consideration of the interim figures prompted a rally of 6 to 110p in Mining Supplies. Still reflecting Mitchell Somers' increased stake, F. H. Tomkins improved a penny more to 21½p. Haden were favoured and put on 5 to 225p, while Ductile closed similarly higher at 103p. Brooke Tool, in contrast, were depressed at 23p, down 5½p, on the annual loss and the absence of a final dividend. Still on the recent interim figures, ML Holdings *drifted off 5 more* to 265p for a fall of 40 on the week. Laird Group gave up 4 to 135p, while the none-too-encouraging tenor of the annual report left F. Pratt a couple of pence cheaper at 63p.

Among Foods, Huntley and Palmer, in receipt of a bid from Rowntree Mackintosh currently worth 103p per share, added 3 more to 111p on rumours of an imminent counter bid from U.S. food concern Nabisco. Elsewhere, demand in a thin market lifted Amos Hinton 12 to 298p, while Hillards improved 2 to 162p despite a broker's adverse circular.

Norfolk Capital shed 2 for a two-day fall of 4 to 30p on disappointment with the preliminary results, but Wheeler's Restaurants attracted speculative interest and, in a limited market, gained 10 to 380p.

Inter-City jump

Two outstanding firm features emerged in secondary *miscellaneous industrials* on the last day of the Account. Inter-City Investment provided the most spectacular movement, jumping 15 to 34½p on the *announcement that certain* directors and family interests had sold 2.4m shares in the company (25.74 per cent) at 10p per share to Metan, an investment company. Meanwhile, Erskine House closed 11 to the good at 53p in the wake of a large put-through transacted late on Thursday; it was reported that over ½m shares had changed hands. Avon Rubber rose 3 to 122p in response to Press comment and bid hopes helped J. and J. Dyson to harden 2 to 102p and the A 4 to 94p. Bath and Portland edged forward a penny more to 81p on support ahead of Wednesday's preliminary results, while Wolseley-Hughes added 5 to 350p on renewed buying in a thin market. Still reflecting Press comment, Lep put on 5 to 310p. Royal Worcester came on *offer and fell 15 to 165p*. The leaders plotted an irregular course in quiet trading. Beecham lost 6 to 237p as did Glaxo, to 472p.

The Leisure sector continued to claim much of the limelight and displayed numerous firm features. News of the Government's unchanged policy towards Value Added Tax on package holidays prompted good support for Horizon Travel, which put on 17 to 350p. Saga, a firm counter following the acquisition of Laker Air Travel for £0.5m, added a penny for a gain on the week of 10 to 171p. Elsewhere, Pleasurama jumped 28 to a 1981-82 peak of 368p on the acquisition of Lydiashourne, a licensed gaming club proprietor operating Maxim's casino, Kensington. Comment on the London casino scene also helped Trident TV A to rise another 6 for an advance on the week of 19 to 89p.

Responding to a generally favourable Press, Dowty, 123p, recovered most of Thursday's fal of 8 which followed the disappointing half-timer. Elsewhere in Motor sectors, Group Lotus attracted renewed support and rose 3 to 29p, while, among Distributors, Lex Service hardened 3 to 110p. Scottish Ford dealers Alexanders held at 10p following the sharp setback in full-year earnings and accompanying 10 per cent scrip issue.

Oil shares finished the week on a drab note. Shell, unsettled by the threat of a shutdown at the company's Stanlow oil refinery, fell 8 to 362p. British Petroleum eased 4 to 292p. Lasmo gave up 8 to 340p, while falls of around 5 were marked against Tricentrol, 218p, and Ultramar, 415p. Among the more speculative exploration issues, Sun (UK) Royalty weakened afresh to 190p before settling at 195p for a fall of 5 on balance, while Jackson Exploration gave up 5 to 108p. Reynolds Diversified were quoted at 1½p ahead of the Stock Exchange notice withdrawing permission for the shares to be dealt in.

Among Shippings, British and Commonwealth edged up 2 more to 397p for a gain of 12 on the week. P and O Deferred were reasonably active before closing without alteration at 135p.

A combination of dismal trading results coupled with fears that interest rates will remain at a high level for some time led to a depressing week in Australian mining markets.

Excepting Wednesday, when the sector staged a technical rally, the Down-Under mining market attracted sustained selling.

Western Mining closed unaltered at 217p but remained 21 down on the week having touched a 1981-82 low of 215p immediately following the 80 per *cent fall in half-year net profits* announced on Tuesday. Bougainville edged up a penny to 66p—reducing the week's loss to 9—after falling to a 1981-82 low of 64p on Tuesday in the wake of the 68 per cent profits decline in full-year profits.

Gold Mines of Kalgoorlie dipped 5 more to a 1981-82 low of 270p—30 down on the week—still reflecting the poor profits performance and interim dividend omission, while 1981-82 lows were also seen in North Broken Hill, 4 cheaper at 138p, Pancontinental, a like amount off at 116p and Oakbridge, 2 easier at 98p.

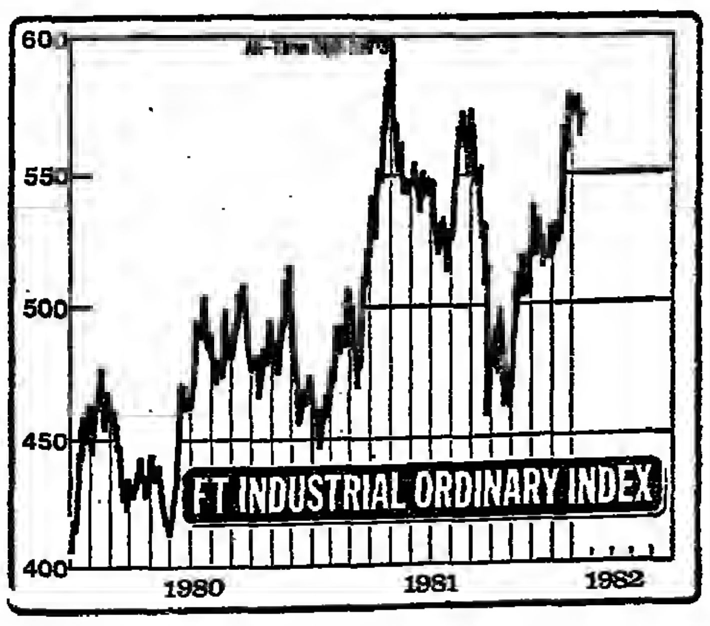
Lack of interest and a further decline in the bullion price led to South African Golds losing ground for the third successive day. Falls were generally restricted to around ¼ in the heavyweights and to 15 in the medium-priced issues.

The Gold Mines index eased 1.1 to 284.1, down 10.7 over the week, while the bullion price yesterday closed $1.75 off at $378.75 an ounce.

Tins met renewed selling from Kuala Lumpur and Singapore.

Pengkalen, unchanged yesterday at 320p, showed a fall of 130 over the five-day period as heavy speculative selling reflected disappointment that the much-rumoured takeover bid did not materialise following the sale of Straits Trading's 26 per cent shareholding.

Traded options finished an active week by recording 3,520 deals—2,997 calls and 523 puts. The week's daily average amounted to 2,439. The high level of call activity was mainly due to follow-through business in Imperial and Lonrho in the wake of Thursday's preliminary statements. Imps attracted a record 1,896 calls, with 1,331 struck in the May 80s. Lonrho continued to record a more evenly-balanced trade, attracting 683 calls and 250 puts.



FINANCIAL TIMES STOCK INDICES

	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 5	A year ago
Government Secs.	65.04	65.34	64.68	64.59	64.68	65.18	68.01
Fixed Interest	65.42	65.34	65.15	65.08	65.17	65.28	70.65
Industrial Ord.	570.5	572.0	575.7	563.2	570.7	578.1	493.9
Gold Mines	284.1	285.2	288.8	287.0	289.7	294.8	314.2
Ord. Div. Yield	5.59	5.57	5.35	5.44	5.37	5.31	7.27
Earnings, Yld.% (full)	9.55	9.47	9.44	9.60	9.48	9.37	16.19
P/E Ratio (net) (*)	13.69	13.88	13.88	13.65	13.82	13.99	7.56
Total bargains	19,021	19,626	17,514	19,566	19,088	23,166	19,820
Equity turnover £m.	—	183.19	132.00	131.19	111.47	139.00	119.91
Equity bargains	—	17,678	15,145	16,487	15,595	15,025	16,298

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

10 am 570.6. 11 am 572.7. Noon 572.8. 1 pm 569.8.

2 pm 569.4. 3 pm 569.8.

Latest Index 01-246 8026.

*Nil=12.17.

HIGHS AND LOWS

	1981/2 High	1981/2 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5/81)	60.17 (26/10/81)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5/81)	61.61 (26/10/81)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/8/81)	288.6 (25/8/81)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 11	Feb. 10
—Daily		
Gilt Edged Bargains	171.1	155.8
Equities		
Bargains	114.5	98.1
Value	370.3	266.8
5-day Avrge.		
Gilt Edged Bargains	175.7	171.3
Equities		
Bargains	103.8	102.2
Value	281.7	269.8

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (45)

COM'WEALTH & AFRICAN LOANS (1)
Aust. 5½pc '81-82

BUILDINGS (3)
Costain
H.A.T.
Newarthill

CHEMICALS (2)
Ciba Geigy 8pc Cnv.
Stewart Plastics

ELECTRICALS (4)
Dewhurst A.
Eurotherm Int.
M.K. Electric
Sound Diffusion

ENGINEERING (4)
Ductile Steels
Lake & Elliot
Tomkins (F. H.)
Turriff

FOODS (2)
Brooke Bond
Hinton (A.)

INDUSTRIALS (9)
Bath & Portland
Extel
Inter-City
J.B. Holdings
Securicor A N-V
Security Services
Do. A N-V
Sidlaw Inds.
Wolseley-Hughes

LEISURE (4)
Horizon
Pleasurama
Scottish TV A
Trident TV A

PAPER (1)
Good Relations

SHIPPING (1)
British & Com'wealth

SOUTH AFRICANS (1)
Unisec

TOBACCOS (1)
Imperial

TRUSTS (12)
Aberdeen Trust
C.L.R.P.
Caledonia Invs.
Cedar Inv.
Continental Union
Gen. & Commercial
Gen. Scottish
Guardian Inv. Trust
River & Mercantile
Sec. Alliance Trust
Trust Union
TCS Deb. Corp.

NEW LOWS (16)

AMERICANS (2)
Bedford
Tenneco 10pc Ln. Stk.

CANADIANS (1)
Place Gas

ENGINEERING (1)
Brooke Tool

FOODS (1)
Barrow Milling

OIL & GAS (2)
Magellan Pet.
Texaco 4¾pc Cnv.
Int. Basin Res.

MINES (8)
Eagle Corp.
Gold. M. Kalgoorlie
Nickelore
North Broken Hill
Oakbridge
Pancontinental
Renison Gfd.
Whim Creek

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	5	71	17	182	239	44
Corpns. Dom. and Foreign Bonds	17	2	56	62	35	273
Industrials	185	265	905	1,074	1,431	4,272
Financial and Props.	68	106	341	517	518	1,549
Oils	14	43	53	82	182	288
Plantations	2	2	20	9	16	95
Mines	30	48	88	127	307	396
Others	61	35	48	235	246	235
Totals	382	572	1,527	2,288	2,969	7,149

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 22	Mar 5	June 3	June 14
Mar 8	Mar 19	June 17	June 28
Mar 22	April 2	July 1	July 12

For rate indications see end of Share Information Service

Call options were arranged in Bowater, Barker and Dobson, Lonrho, Inter-City, Chloride, Courtaulds, Trident TV, Singlo, NCC Energy, Transparent Paper, Burmah Oil, Booker McConnell, Exco, Dowty, Fitch Lovell, Cray Electronics, ICL and Eagle Star. Puts were done in Saga Holidays and J. Hepworth, while doubles were taken out in FNFC and Lasmo.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bowater	240	−3	House of Fraser	164	+4
Croda Int.	80	−2	Huntley and Palmer	111	+3
Dowty	123	+7	ICI	346	—
Dyson (J. and J.)	102	+2	Imperial Group	87	+2½
FNFC	37	+1	Inter-City Inv.	34½	+15
Horizon	350	+17	P & O *Defd.*	135	—

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
Imperial Group	30	84½	+4½	BAT Inds.	16	428	—
GKN	23	174	−6	B. H. Props.	16	500	−20
Trident TV "A"	21	83	−4	First Nat. Fin.	13	36	+1
Dowty	20	116	−8	ICI	15	346	—
GEC	18	830	−7	BICC	14	327	+11
Shell Trans.	18	370	−4	RTZ	14	444	−3
BP	17	296	—	Royal Bk. Scot.	14	119	−5

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thursday's closing price pence	Change on week	Stock	No. of price changes	Thursday's closing price pence	Change on week
GEC	108	830	−12	B. H. Props.	75	500	−50
BAT Inds.	107	428	+18	BP	73	296	+6
ICI	81	346	+8	Dowty	71	118	−12
Imperial Group	78	84½	+5	Shell Trans.	71	370	−2
GKN	77	174	−10	GUS "A"	67	493	+3
RTZ	77	444	−22	Fisons	65	245	—
Beecham	75	243	−6	Plessey	63	365	−7

LEADERS AND LAGGARDS

Percentage changes since December 31 1981 based on Thursday, February 11, 1982

Tobaccos	+19.10	Engineering Contractors	+ 6.09
Chemicals	+16.98	Motors	+ 5.52
Shipping and Transport	+12.26	500-share Index	+ 5.37
Health and H'sehold Products	+11.94	All-share Index	+ 4.99
Other Group	+11.93	Insurance Brokers	+ 4.93
Stores	+11.83	Newspapers, Publishing	+ 4.61
Investment Trusts	+11.80	Capital Goods	+ 4.43
Packaging and Paper	+11.78	Metal and Metal Forming	+ 4.22
Other Consumer	+11.25	Insurance (Composite)	+ 3.66
Contracting, Construction	+10.35	Mechanical Engineering	+ 2.66
Food Retailing	+10.33	Financial Group	+ 1.74
Consumer Group	+10.09	*Property*	+ 1.43
Building Materials	+ 9.99	Insurance (Life)	+ 1.21
Other Industrial Materials	+ 8.87	Electricals	+ 0.82
Overseas Traders	+ 8.72	Banks	+ 0.06
Textiles	+ 8.25	Mining Finance	− 1.29
Industrial Group	+ 8.15	Merchant Banks	− 3.08
Food Manufacturing	+ 7.96	Discount Houses	− 4.30
Office Equipment	+ 7.45	Gold Mines Index	− 7.25
Brewers and Distillers	+ 6.66	Oils	− 7.40
Leisure	+ 6.18		

RECENT ISSUES

EQUITIES

Issue price p	Amount Paid up	Latest Renunc. Date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
§30	F.P.	12/2	30	28½	Asset Special 10p	29½	.....	—	—	—	—
100	F.P.	18/2	98	96	Baillie GiffordJ'n Tst.	96	.....	—	—	—	—
§100	F.P.	—	57	38	Do. Warrants	55	−1	—	—	—	—
‡	F.P.	—	340	313	✠Eldridge Pope £1	340	.....	8.6	8.9	4.0	19.6
80	F.P.	13/1	84	81	✠*Equipu.* 10p	82	.....	bd3.1	2.1	5.4	12.6
—	F.P.	—	10	7	F&C Enter. Warrants	7	.....	—	—	—	—
58½	F.P.	28/2	63	58½	Fledgeling Invs.	62½	.....	2.18	1.0	5.0	—
150	F.P.	4/1	166	156	✠Hayters £1	160	.....	10.5	◆	9.9	◆
§90	F.P.	—	90	89	✠Imm. Bus. Sys. 10p	89	−1	—	—	—	—
§ II	F.P.	—	53	48	✠Malaysian Tin 5p	48	−4	—	—	—	10.3
US$5.30	F.P.	12/2	303	260	Newmarket 11981 15c	270	.....	—	—	—	—
§10	F.P.	10/12	19	14	✠Owners Abroad 10p	18½	.....	b0.5	3.1	3.9	19.0
—	F.P.	—	15½	4½	Peek Hldgs.	15½	.....	—	—	—	9.1
115	F.P.	89/1	151	117	Speyhawk 10p	151	+2	bd7.0	8.3	7.6	5.9
—	F.P.	—	5	3½	Viners 1p	4	.....	—	—	—	—
46	F.P.	19/2	53	47	✠York Mount	53	+2	b4.31	3.8	12.2	2.3

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price	+ or −
§100	£25	30/7	27¼	23¾	Barclays 16% Ln. Stk.	27	−¼
¶‡	F.P.	19/3	97	66	Habitat 9½% Conv. Uns. Ln. '98-2001	97	.....
‖	F.P.	26/2	112	102	Haslemere Est 9pc.Conv Uns Ln. 2001/06	109¼	−1
¶19½	£10	18/3	15	12	Mid-Kent Water 9½% Red. Prf. 1987	13	.....
‡100	F.P.	—	100⅜	99¾	Nat'wide Bdg. Society 16¼% (17/1/83)	100¼	−⅛
§100	F.P.	—	100¼	100	Do. 15⅝% (7/2/85)	100¼	+⅛
—	F.P.	—	122	105	Viners 10% Cnv. Loan 1988	182	+7

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981/2 High	1981/2 Low	Stock	Closing price p.	+ or −
9.SA$	F.P.	—	—	244	200	CSR A 91	209	+2
15	F.P.	26/1	17/2	19	15	✠Carlton Real Ests.10p	18½	.....
140	Nil	19/2	18/3	24pm	15pm	Davy Corp.	22pm	−2
55	F.P.	12/2	5/3	115	105	Glass Glover	114	.....
R.Z.	Nil	—	—	30pm	20pm	Griqualand 5 cts.	30pm	.....
190	F.P.	29/1	26/2	260	212	Kwik-Save 10p	260	.....
220	Nil	—	—	51pm	47pm	Lovell (Y.J.)	49pm	.....
188	F.P.	11/2	25/3	226	218	MEPC	224	−2
25	Nil	26/8	19/3	16pm	10pm	Smith St. Aubyn	16pm	+1
45	Nil	—	—	5pm	4pm	Steaua Romana (Brit.)	4pm	−1
50	F.P.	19/1	19/2	68	52	Wearwell 5p	58	+1

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. *T Figures assumed.* ◆ *Figures or report awaited.* ‡ *Cover allows for conversion* of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after scrip. † Formerly dealt in under Rule 163(2) (a).

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Feb 12 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Feb 11 Index No.	Wed Feb 10 Index No.	Tues Feb 9 Index No.	Mon Feb 8 Index No.	Year ago (approx.) Index No.	1981/82 High	1981/82 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (210)	373.19	−0.4	9.13	4.26	13.80	374.76	374.63	371.30	375.71	[illegible]	381.29 (3/2/82)	272.29 (15/1/81)	381.29 (3/2/82)	50.71 (13/12/74)
2	Building Materials (25)	330.75	−0.4	13.17	5.24	9.13	332.06	330.86	328.57	334.33	275.25	340.14 (3/2/82)	236.82 (13/1/81)	340.14 (3/2/82)	44.27 (11/12/74)
3	Contracting, Construction (28)	589.00	−0.1	15.51	4.01	7.58	589.73	584.63	584.89	593.11	467.40	610.27 (30/4/81)	403.39 (8/1/81)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (31)	1265.89	−0.2	7.26	2.28	17.61	1268.21	1270.49	1252.11	1266.30	1004.90	1290.05 (29/1/82)	[illegible]	1290.05 (29/1/82)	84.71 (25/6/62)
5	Engineering Contractors (9)	520.39	−0.1	12.14	5.63	9.63	520.77	517.41	510.91	519.15	488.36	529.35 (5/2/82)	[illegible]	529.35 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (67)	198.44	−0.3	10.65	5.51	11.94	199.05	199.86	198.07	199.52	177.51	239.25 (30/4/81)	[illegible]	239.25 (30/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (12)	171.44	−1.6	7.09	7.30	19.79	174.28	176.50	175.77	176.93	142.78	182.38 [illegible]	[illegible]	192.39 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	99.56	+0.4	—	6.69	—	99.18	99.54	98.77	100.16	97.18	112.76 (1/5/81)	[illegible]	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (17)	404.15	−1.4	7.83	5.67	15.85	410.00	407.08	405.11	409.73	334.02	419.42 (5/2/82)	[illegible]	419.43 (5/2/82)	277.55 (15/1/81)
21	CONSUMER GROUP (198)	295.33	−0.4	12.30	5.60	9.91	296.42	294.62	290.24	296.40	248.90	297.38 (5/2/82)	[illegible]	297.38 (5/2/82)	61.41 (13/12/74)
22	Brewers and Distillers (21)	289.64	−0.3	16.24	6.74	7.41	290.56	287.11	282.37	290.29	268.73	325.16 (14/8/81)	[illegible]	325.16 (14/8/81)	69.37 (13/12/74)
25	Food Manufacturing (21)	284.67	—	14.73	6.01	8.15	284.56	289.09	288.30	283.35	221.38	291.47 (27/1/82)	[illegible]	291.47 (27/1/82)	59.67 (11/12/74)
26	Food Retailing (15)	609.80	+0.1	8.89	3.28	13.78	608.20	599.11	595.19	596.53	475.35	609.80 (12/2/82)	440.39 (21/3/81)	609.80 (12/2/82)	54.25 (11/12/74)
27	Health and Household Products (7)	[illegible]	−1.8	8.22	4.20	14.30	387.26	388.30	382.37	387.22	271.23	396.37 (3/2/82)	305.98 (14/1/81)	396.37 (3/2/82)	175.32 (28/5/80)
29	Leisure (24)	447.32	+0.4	9.03	4.93	13.97	446.26	443.74	439.36	444.23	352.76	476.41 (24/6/81)	327.35 (16/1/81)	476.41 (24/6/81)	54.53 (9/1/75)
32	Newspapers, Publishing (12)	502.46	+0.1	12.00	6.00	11.05	501.87	499.73	499.45	502.58	443.15	526.15 (11/5/81)	414.73 (28/9/81)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	147.28	−0.7	13.58	7.32	8.89	148.27	147.16	145.29	146.61	122.18	161.79 (1/5/81)	108.35 (14/1/81)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (45)	267.60	−0.4	10.77	5.05	12.40	268.75	268.43	262.57	267.45	260.79	294.06 (30/4/81)	211.94 (25/10/81)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	169.22	−0.1	9.40	5.86	13.71	169.37	168.27	166.89	168.78	132.85	172.84 (30/4/81)	122.37 (19/1/81)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	309.66	−0.4	19.57	8.42	5.83	310.78	306.30	299.36	301.83	225.29	310.78 (11/2/82)	193.57 (19/1/81)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (14)	272.91	−1.0	7.04	6.54	23.53	275.76	275.40	277.38	278.92	240.17	311.40 (1/5/81)	229.84 (28/9/81)	311.40 (1/5/81)	229.84 (28/9/81)
41	OTHER GROUPS (79)	259.35	−0.3	9.98	5.45	12.68	260.11	259.38	257.97	260.26	220.09	260.49 (5/2/82)	191.89 (28/9/81)	260.49 (5/2/82)	58.63 (6/1/75)
42	Chemicals (16)	352.54	−0.2	5.64	5.31	26.51	353.38	352.19	345.29	347.68	287.36	353.38 (11/2/82)	233.35 (13/1/81)	353.38 (11/2/82)	71.20 (11/12/74)
44	Office Equipment (4)	128.42	−0.7	13.39	6.69	8.97	129.39	129.67	128.76	130.72	102.29	131.85 (29/1/82)	92.79 (28/10/81)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	583.62	—	18.36	6.33	6.48	583.47	581.82	578.67	584.76	573.94	644.76 (24/4/81)	430.18 (28/9/81)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (46)	316.49	−0.4	11.50	5.12	10.60	317.65	316.65	319.75	322.73	268.29	322.73 (8/2/82)	240.93 (28/9/81)	322.73 (8/2/82)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (487)	317.42	−0.4	10.83	5.08	11.46	318.60	317.48	315.89	[illegible]	[illegible]	[illegible]	241.24 (15/1/81)	320.70 [illegible]	59.01 (13/12/74)
51	Oils (13)	677.60	−1.6	20.99	8.33	5.40	688.50	691.47	683.15	685.60	[illegible]	923.71 [illegible]	[illegible] (28/9/81)	966.24 (15/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	346.81	−0.6	12.42	5.59	9.75	348.76	347.97	345.75	347.70	312.41	353.59 [illegible]	[illegible] (28/9/81)	[illegible]	63.49 (13/12/74)
61	FINANCIAL GROUP (117)	259.14	−0.2	—	5.87	—	259.56	258.73	256.10	259.65	235.57	279.45 (1/5/81)	222.65 (28/9/81)	279.45 (1/5/81)	55.88 (13/12/74)
62	Banks (6)	287.76	+0.2	31.31	6.57	3.73	287.27	287.53	280.82	282.34	240.35	291.92 (30/1/82)	228.84 (11/9/81)	291.92 (30/1/82)	62.44 (12/12/74)
63	Discount Houses (9)	235.80	−0.1	—	10.64	—	236.10	236.25	235.25	235.38	309.55	314.02 (20/3/81)	211.15 (7/1/82)	314.03 (20/3/81)	81.40 (10/12/74)
65	Insurance (Life) (9)	253.56	−0.6	—	6.32	—	255.14	255.13	253.12	258.38	254.66	298.44 (1/9/81)	222.74 (7/1/81)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (10)	159.80	−0.6	—	8.38	—	160.73	160.27	157.99	160.52	152.52	188.09 (1/5/81)	142.06 (19/1/81)	188.09 (1/5/81)	43.96 (13/12/74)
67	Insurance Brokers (7)	438.97	+0.3	10.14	5.19	13.33	437.69	437.37	437.64	443.67	326.73	445.91 (11/9/81)	294.21 (20/1/81)	445.91 (11/9/81)	65.36 (16/12/74)
68	Merchant Banks (12)	151.56	+0.2	—	5.98	—	151.23	151.64	152.68	154.26	150.27	179.36 (27/4/81)	127.53 (28/9/81)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (49)	458.89	−0.1	4.64	3.21	28.76	459.37	454.49	454.12	459.52	406.08	517.77 (2/4/81)	[illegible] (28/9/81)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (15)	188.92	−0.2	15.33	5.73	7.98	189.35	188.73	187.13	188.08	176.61	199.35 (11/2/82)	145.06 (28/9/81)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (112)	318.81	−0.3	—	5.09	—	319.65	316.94	315.20	317.94	264.71	332.90 (27/4/81)	257.70 (28/9/81)	332.90 (27/4/81)	71.63 (13/12/74)
81	Mining Finance (4)	230.90	−0.9	14.92	6.36	8.06	233.10	230.67	230.75	236.67	284.27	296.26 (14/8/81)	200.76 (6/2/81)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (17)	433.72	−1.2	12.04	7.34	10.14	438.99	433.03	429.52	433.69	433.58	488.51 (18/5/81)	369.35 (28/9/81)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	327.11	−0.5	—	5.65	—	328.73	327.77	324.66	327.83	297.82	333.64 (17/6/81)	265.85 (28/9/81)	334.64 (17/6/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Feb 12	Day's change %	Thur Feb 11	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	107.92	−0.01	107.93	—	1.70
2	5-15 years	104.00	−0.36	104.38	—	1.50
3	Over 15 years	107.00	−0.32	107.34	—	0.75
4	Irredeemables	115.50	−0.06	115.58	—	0.00
5	All Stocks	105.97	−0.23	106.21	—	1.33
6	Debentures & Loans	82.54	+0.45	82.17	—	0.00
7	Preference	64.27	+0.21	64.13	—	0.40

	AVERAGE GROSS REDEMPTION YIELDS		Fri Feb 12	Thur Feb 11	Year ago (approx.)	1981/82 Highs	1981/82 Lows
	British Government						
1	Low Coupons	5 years	12.63	12.57	11.58	14.17 (25/9/81)	11.23 [illegible]
2		15 years	13.55	13.47	12.23	14.90 [illegible]	11.55 [illegible]
3		25 years	13.26	13.21	12.45	14.55 [illegible]	11.55 (4/1/81)
4	Medium Coupons	5 years	15.20	15.09	13.41	16.23 [illegible]	12.01 [illegible]
5		15 years	15.01	14.93	13.94	16.98 [illegible]	13.32 [illegible]
6		25 years	14.65	14.59	13.60	15.90 [illegible]	12.95 [illegible]
7	High Coupons	5 years	15.20	15.16	13.35	16.62 [illegible]	12.93 [illegible]
8		15 years	15.12	15.10	14.14	16.59 [illegible]	13.54 (20/3/81)
9		25 years	14.82	14.74	13.89	16.38 (29/9/81)	13.25 (29/3/81)
10	Irredeemables†		12.90	12.92	11.39	14.22 [illegible]	11.35 (20/3/81)
11	Debs & Loans	5 years	16.09	16.11	14.29	17.13 [illegible]	13.80 (12/3/81)
12		15 years	15.88	15.95	14.65	17.11 (29/9/81)	14.14 (20/3/81)
13		25 years	15.88	15.87	14.60	17.11 [illegible]	14.17 (25/3/81)
14	Preference†		15.55	15.60	15.69	16.99 (29/10/81)	14.55 (24/3/81)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.

NAME CHANGE: Habitat Group has changed its name to Habitat Mothercare (Stores).

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley (0226 203232)	14⅞	½-year	1,000	3
Knowsley (051-548 6555)	14⅞	½-year	1,000	4-8

Council housing staff strike

RENTS *and rates from many of* the London borough of Islington's 41,000 council tenants are not being collected because of a strike by housing staff.

Council house sales and allocations and transfers of homes are also hit by an official stoppage of more than 200 workers, which began on Thursday.

The walk-out followed the suspension of a housing assistant in a dispute over the appointment of staff to deal with council house sales.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941.

American Growth	[illegible]	63.0	+0.2	2.30
Capital	[illegible]	[illegible]	[illegible]	[illegible]
(Accum. Units)	[illegible]	[illegible]	[illegible]	[illegible]
General	[illegible]	[illegible]	[illegible]	4.40
Gilt & Fixed Int.	100.0	105.3	-0.2	12.44
Income	[illegible]	[illegible]	-0.1	8.76
Worldwide Bond	104.9	111.0	.....	4.92
Inv. Tst. Fd.	[illegible]	61.1	-0.1	3.03
Equitas Prog.	[illegible]	92.9	-0.4	4.46

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	[illegible]	[illegible]	-0.3	13.46

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Funds

Allied 1st	95.3	102.0	-0.5	[illegible]
Brit. Inds. Fund	[illegible]	[illegible]	-0.3	[illegible]
Growth & Income	[illegible]	[illegible]	-0.3	[illegible]
Elect. & Ind. Dev.	[illegible]	[illegible]	-0.3	4.13
Allied Capital	103.8	111.3	-0.3	4.45
Hambro Fund	[illegible]	[illegible]	-0.7	5.31
Hambro Acc. Fund	208.0	222.4	-1.0	4.49

Income Funds

High Yield Fd.	69.8	74.7	-0.1	8.51
High Income	[illegible]	[illegible]	-0.2	6.06
Equity Income Fd.	[illegible]	[illegible]	-0.1	[illegible]
Govt. Secs.	[illegible]	24.7	.....	12.87

International Funds

International	34.4	36.8	.....	2.50
Japan Fund	[illegible]	[illegible]	-0.4	0.54

Choulerton Fund Managers (g)
57-63, Princess St., Manchester. 061-236 5685

Growth	[illegible]	16.7	-0.1	7.85
International	[illegible]	63.3	-1.1	1.21
High Income	[illegible]	[illegible]	-0.1	11.28

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	78.9	83.0	.....	5.62

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.6	40.0	-0.2	11.05
North American	56.5	61.0	+0.4	2.79
Canadian Europe*	55.9	[illegible]	.....	3.30
Canadian Trust	47.6	51.4	+0.2	2.69
Mid/Mount High Inc.*	[illegible]	50.9	.....	9.42
Recovery	[illegible]	65.8	.....	3.35
Gilt Trust	37.9	39.6	-0.4	13.39

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 3492

Cres. Amer. Fd.	39.8	42.9	.....	0.58
Cres. Internat'l.	84.5	91.2	-0.1	1.64
Cres. High. Dist.	47.0	50.7	.....	[illegible]
Cres. Reserves	52.9	57.3	-0.3	[illegible]
Cres. Tokyo	39.6	42.7	-0.5	0.29

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	22.9	24.5	.....	7.26

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Feb 12	259.9	277.2	+4.4	4.82

Dunbar Unit Trust Managers Ltd.
53, Pall Mall, London, SW1 5JH. 01-930 2122

Income & Grwth.	23.2	24.6	+0.1	7.52
Special Sits.	26.0	27.6	+0.2	2.87

E. F. Winchester Fund Mngt. Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea,
Worthing, West Sussex. 01-623 1288

Balanced	78.8	84.7	-0.3	4.47
Do. (Accum.)	123.5	132.7	-0.7	4.47
Energy Int.	39.1	42.0	+0.1	2.38
Do. (Accum.)	40.1	43.1	.....	2.38
Extra Income	65.4	70.3	.....	8.31
Do. (Accum.)	93.1	100.1	.....	8.31
Income	102.8	110.5	-0.3	6.73
Do. (Accum.)	169.3	182.0	-0.5	6.73
Int. Technology	77.4	83.3	.....	0.46
Do. (Accum.)	78.8	84.8	.....	0.46
N. American & Gen.	46.7	50.2	+0.3	1.32
Do. (Accum.)	48.0	51.6	+0.3	1.32
Pacific Basin	46.7	50.2	-0.3	0.64
Do. (Accum.)	47.1	[illegible]	-0.3	0.64
Small Cos. & Recy.	59.5	[illegible]	-0.4	2.84
Do. (Accum.)	62.4	[illegible]	-0.4	2.84
Worldwide Gwth.	86.7	[illegible]	-0.4	2.24
Do. (Accum.)	116.6	125.3	-0.5	2.24

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	282.9	297.8	.....	4.00

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Property Fd. Jan. 31	158.50	.....	6.83
Wider Fd. Jan 31	288.65	.....	5.00
Narrower Fd. Jan. 31	73.40	.....	13.90

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American	[illegible]	[illegible]	+0.4	2.60
(Accum. Units)	[illegible]	[illegible]	+0.5	2.60
American Recovery	[illegible]	[illegible]	+0.5	1.59
(Accum. Units)	[illegible]	[illegible]	+0.5	1.59
Australasian	[illegible]	[illegible]	-1.4	1.85
(Accum. Units)	[illegible]	[illegible]	-1.5	1.85
Commodity	[illegible]	[illegible]	-0.1	3.37
(Accum. Units)	[illegible]	[illegible]	[illegible]	3.37
Compound Growth	[illegible]	[illegible]	+0.3	3.06
Conversion Growth	[illegible]	[illegible]	-0.2	2.72
Conversion Income	[illegible]	[illegible]	+0.6	8.14
Dividend	[illegible]	[illegible]	+1.3	8.38
(Accum. Units)	[illegible]	[illegible]	+3.1	8.38

Save & Prosper Group—Cont.

High Income Funds

Gilt & Fxd. Int. Inc.	47.0	49.5	-0.1	12.54
High Return	69.4	74.7	-0.1	8.07
Income	45.3	48.7	.....	9.51

U.K. Funds

Gilt & Fxd. Int. Grth.	52.5	53.3	-0.2	4.86
UK Equity	64.0	69.1	-0.6	4.03

Overseas Funds (z)

Europe	77.1	82.9	.....	2.06
Japan	125.1	134.6	-2.1	0.10
S.E. Asia	77.2	83.1	-0.5	0.71
U.S.	114.5	123.2	+0.6	0.79

Sector Funds

Commodity	129.6	129.9	-0.8	3.26
Energy	117.5	127.5	+0.7	1.58
Exploration Fund (z)	32.7	35.1	-0.2	0.25
Financial Secs.	102.1	107.9	.....	2.73
New Technology (z)	45.7	50.2	-0.1	0.25

Fixed-Interest Fund (z)

Intl. Bond Fd.	61.1	65.3	+0.2	2.26

Exempt Funds

Exempt Income*	211.9	223.7	.....	7.04
Exempt Intl.*	350.1	369.5	.....	0.91

Prices at Feb 10. Next sub day Feb 24.

Scotbits Securities Ltd.

Scotbits	49.2	52.1	-0.1	3.79
Scotyield	56.5	60.8	-0.2	7.19
Scotshares	84.4	91.2	-0.3	4.74

Schroder Unit Trust Managers Ltd.
48, St. Martins Lane, WC2. Dealings 0705 27733

Capital	170.7	183.5	[illegible]	2.75
(Accum. Units)	[illegible]	240.8	[illegible]	2.75
Income Fnd.	[illegible]	272.1	[illegible]	7.10
(Accum. Units)	[illegible]	499.5	[illegible]	7.08
Gen.	[illegible]	152.9	[illegible]	3.83
(Accum. Units)	[illegible]	212.2	[illegible]	3.83
Europe	[illegible]	24.5	[illegible]	2.90
(Accum. Units)	[illegible]	[illegible]	[illegible]	2.90
Smaller Co.'s	[illegible]	171.9	[illegible]	2.40
American	[illegible]	55.3	[illegible]	0.52
(Accum. Units)	[illegible]	55.3	[illegible]	0.52
Tokyo	[illegible]	59.2	[illegible]	0.37
(Accum. Units)	[illegible]	59.3	[illegible]	0.37
Gilt & Fixed	[illegible]	46.2	[illegible]	12.36
(Accum. Units)	[illegible]	50.6	-0.2	12.36

INSURANCE PROPERTY BONDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1981/82 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
650	90	Falcon Rh.50c	90	......	Q25c	18.3	20.7
135	60	Roan Cons. K4	80	......	♦Q0.13	5.0	—
59	24	Wankie Col. Rh.1	24	......	Q3c	1.2	9.3
32	19	Zam.Cpr.SBD0.24	20	......	—	—	—

Australian

1981/82 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
53	32	Acmex 50c	46	......	Q4c	—	5.4
41	14	ACM 20c	16	–2	—	—	—
21	4½	Argosy Gold NL 25c	5	......	—	—	—
229	134	Bond Corp.	140	......	Q10c	2.3	4.5
112	64	Bougainville I Kina	66	+1	Q6½c	♦	5.9
302	150	CRA 50c	160	......	Q19c	1.7	7.2
25	9	Canada Northwest	13½	–½	—	—	—
35	11	Carr Boyd 20c	13	......	—	—	—
415	42	Central Pacific	42	......	—	—	—
35	3	Cons. Gold Min. NL 25c	3	......	—	—	—
47	13	Coltas Pacific N.L.	16½	–½	—	—	—
68	21	Eagle Corp. 10c	21	–1	—	—	—
40	18½	Endeavour 20c	19	–1	—	—	—
560	270	G. M. Kalgoorlie 25c	270	–5	Q32½c	0.9	7.4
25	6	Great Eastern	6	......	—	—	—
185	56	Greenbushes Tin 50c	60	......	Q6c	1.9	6.1
275	130	Hampton Areas 10p	164	......	2.5	3.1	2.2
168	29	Haoma Gold N.L.	31	–1	—	—	—
85	17	Intl. Mining	17	–½	—	—	—
118	24	Jimberlana (50cFP).	24	......	—	—	—
15	4½	Kalbara Min 20c	5	......	—	—	—
245	65	Kitchener NL 25c	78	......	—	—	—
105	11	Leichardt Expln.	13	......	—	—	—
190	92	Meekatharra 25c.	154	–2	—	—	—
70	35	Metals Ex. 50c	36	–1	Q3c	1.7	5.1
38	13	Metramar Mins. 20cts.	14	+1	—	—	—
20	7½	Mid East Mins. NL	8½	......	—	—	—
290	163	M.I.M. Hldgs. 50c	177	......	‡Q15c	♦	‡
57	21	Mincorp 20c	32	–3	—	—	—
21	6	Minefields Expl. 25c.	6	......	—	—	—
20	13	Newmetal 20c	14	–1	—	—	—
69	23½	Nickelore N.L.	23½	–1	—	—	—
204	138	North B. Hill 50c.	138	–4	‡Q18c	1.0	‡
84	50	Nth. Kalgurli	53	–1	—	—	—
150	98	Oakbridge 50c	98	–2	Q6½c	1.9	4.1
185	70	Otimin N. L.	70	......	—	—	—
188	83	Pacific Copper	83	–4	—	—	—
*423	116	Pancont'l 25c	116	–4	—	—	—
88	42	Paringa M&Ex.5p	50	......	♦	—	—
525	305	Peko-Wallsend 50c	325	–5	Q15c	—	2.8
43	16	Pelsart Res NL	28½	+½	—	—	—
287	207	Renison 50c	210	–5	—	—	—
372	165	Do. Dfd.	165	–5	—	—	—
120	48	Seltrust A	50	......	—	—	—
157	18	Southern Pacific	18	......	—	—	—
100	28	Swan Resources 20c.	30	......	—	—	—
316	49	Valiant Mins 20c	50	......	—	—	—
18½	6	West Coast 25c	6	–½	—	—	—
130	30	Westn. Cont 50c	30	......	—	—	—
335	215	Westn. Mining 50c.	217	......	‡Q14c	1.6	‡
27	9	Westmex	9	......	—	—	—
76	26	Whim Creek 20c	26	–2	—	—	—
101	20	York Resources	21	......	—	—	—

Tins

1981/82 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
16	7	Amal Nigeria 1p	11½	......	—	—	—
300	210	Ayer Hitam $M1	230	–5	Q135c	8.7	14.0
210	98	Geevor	130	......	—	—	—
12	8	Gold & Base 12½p	10	......	—	—	—
660	470	Gopeng Cons.	540xd	......	17.0	[illegible]	4.5
525	310	Hongkong	425	......	21.0	[illegible]	7.1
160	110	Idris 10p	155#	......	‡d9.0	[illegible]	‡
*29	18	Jantar 12½p	24	......	‡1.5	[illegible]	8.9
150	60	Kamunting $M0.50	107	–3	‡Q27½c	[illegible]	6.1
710	363	Killinghall $M1	690	......	Q100c	[illegible]	3.5
114	78	Malaysia Mng. 10c	78	–3	Q25c	[illegible]	7.6
68	30	Pahang	35	......	‡0.63	[illegible]	‡
450	90	Pengkalen 10p	320	......	3.5	—	1.6
380	290	Petaling $M1	320	......	Q60c	♦	4.5
225	180	Sungei Besi $M1	180	......	‡Q310c	[illegible]	‡
185	90	Supreme Corp. $M1	100	......	‡Q15½c	[illegible]	3.7
118	100	Tanjong 15p	103	......	3.5	[illegible]	4.9
90	60	Tongkah H. Tin (S0.50)	75	......	Q25%	[illegible]	8.4
410	220	Tronoh $M1	230	–10	‡Q110c	[illegible]	‡

Copper

1981/82 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
410	165	Messina R0.50	295	......	Q60c	5.2	10.8

Miscellaneous

1981/82 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
175	21	Anglo-Dominion	30	......	—	—	—
25½	12	Burma Mines 10p	14½	......	0.75	0.9	7.4
330	85	Colby Res. Corp.	85	......	—	—	—
330	200	Cons. Murch. 10c.	290	......	Q60c	♦	11.0
10	5	††Explaura Gold	7½	......	—	—	—
98	47	††Hemerdon 10c.	60	......	—	—	—
180	65	Highwood Res.	85	......	—	—	—
505	205	Northgate C$1	210	......	—	—	—
633	372	R.T.Z.	440	–4	16.0	2.3	5.2
£130½	£93½	Do.9½%Cv.Uns.Ln.'95-2000	£101½	–½	Q9½%	—	f9.4
103	13	††SPO Minerals 10p	18	......	—	—	—
47	15	Sabina Inds. C$1	17	......	—	—	—
44	21	¥Southwest C. 10p	31	......	—	—	—
650	355	Tara Expln. $1	375	+20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ¥ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- || No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –	IRISH	Price	+ or –
Albany Inv. 20p	42	......	Conv. 9% '80/82	£94⅞	+¼
Bertrams	17½	......	Nat. 9¾% 84/89	£65	+½
Bdg'wtr. Est. 50p	420	......	Fin. 13% 97/02	£73⅜	+½
Craig & Rose £1	£12⅜	......	Alliance Gas	70	......
Finlay Pkg. 5p	26	......	Arnott	215	–5
Graig Ship. £1	£22	......	Carroll (P.J.)	74	......
Higsons Brew.	68	......	Concrete Prods.	90	......
Holt (Jos) 25p	555	......	Heiton (Hldgs.)	23	......
I.O.M. Stm. £1	230	–2	Irish Ropes	37	......
Pearce (C. H.)	£10½	......	Jacob	60	......
Peel Hldgs.	122	......	T.M.G.	13	......
Sheff. Refrsmt.	87½	......	Unidare	53	......
Sindall (Wm.)	200	......			

OPTIONS

3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		House of Fraser	15	Utd. Drapery	7
Allied-Lyons	8	I.C.I.	24	Vickers	16
BOC Intl.	15	"Imps"	8	Woolworths	5
B.S.R.	8½	I.C.L.	5½		
Babcock	10	Ladbroke	15	**Property**	
Barclays Bank	42	Legal & Gen.	19	Brit. Land	7½
Beecham	21	Lex Service	10	Cap. Counties	10
Blue Circle	48	Lloyds Bank	42	Land Secs.	28
Boots	19	"Lots"	6½	MEPC	28
Bowaters	24	London Brick	7	Peachey	14
Brit. Aerospace	17	Lucas Inds.	20	Samuel Props.	11
B.A.T.	38	"Mams"	12	Town & City	3½
Brown (J.)	7	Mrks. & Spncr	12		
Burton Ord.	15	Midland Bank	30	**Oils**	
Cadburys	9	N.E.I.	9	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	38	Burmah Oil	10
Debenhams	7	P & O Dfd.	14	Charterhall	6
Distillers	15	Plessey	32	KCA	14
Dunlop	6½	Racal Elect.	35	Premier	6
Eagle Star	31	R.H.M.	6½	Shell	30
F.N.F.C.	4	Rank Org. Ord.	20	Tricentrol	22
Gen. Accident	28	Reed Intnl.	26	Ultramar	38
Gen. Electric	65	Sears	6		
Glaxo	42	Tesco	5½	**Mines**	
Grand Met.	17	Thorn EMI	42		
G.U.S. 'A'	45	Trust Houses	11	Charter Cons.	25
Guardian	25	Tube Invest.	13	Cons. Gold	45
G.K.N.	15	Turner & Newall	11	Lonrho	7
Hawker Sidd.	30	Unilever	55	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday February 13 1982

MAN IN THE NEWS

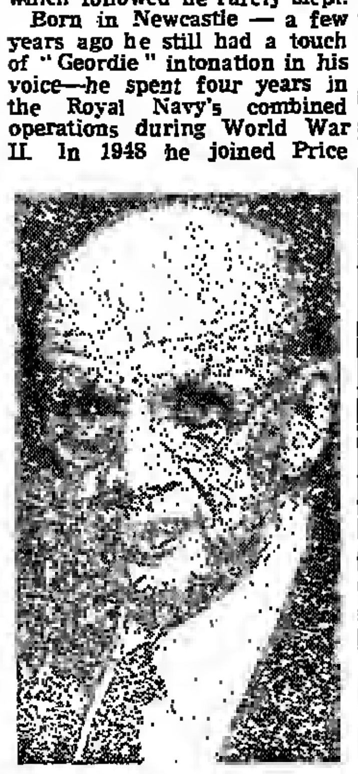
A relaxed Wagnerite and Sir Freddie

BY ALAN FRIEDMAN

DURING some of his more sleepless nights this week he has listened to Wagner's *Götterdämmerung*. On other occasions he has paced the floor at accountants Ernst and Whinney in the pre-dawn hours, working to sell the Laker tour companies.

Bill Mackey, aged 57, has had a tough seven days by anyone's standards. As Ernst and Whinney's partner in charge of insolvencies he was appointed last Friday as joint receiver of Laker Airways. In the days which followed he rarely slept.

Born in Newcastle — a few years ago he still had a touch of "Geordie" intonation in his voice—he spent four years in the Royal Navy's combined operations during World War II. In 1948 he joined Price



Bill Mackey

He can relax in his French home because he knows he's on the telephone

Waterhouse. He later moved to Ernst and Whinney, and in 1973 came to London to specialise in the firm's insolvency department.

Mackey has two children "who both have the misfortune to be chartered accountants." He also has two major passions —France and opera.

"I love France and I have a home in the Dordogne region so that I can continue my work there." Mackey says he can "completely relax" in his French home because he knows his office will telephone him every day.

"I am so relaxed in France that I do not even wear a watch," he declares.

The other form of relaxation for the men who yesterday had to approve 1,700 redundancies at Laker Airways i sthe opera. He tries to work his way through operas the way most people work their way through a *scientific investigation*.

Mackey says he recently attended three performances of Offenbach's Tales of Hoffmann at the Royal Opera House, Covent Garden. "I think Placido Domingo is tremendous, much better than Pavarotti," says Mackey.

When he cannot sleep at night he turns on a special stereo system installed in his bedroom. In the past few days Mackey has averaged four to five hours a night. At the moment he is listening to "a lot of Monteverdi" but in the nights which followed his appointment as Laker joint receiver there was a great deal of Wagner (*Die Meistersinger* as well as *Götterdämmerung*).

Bill Mackey has been at the centre of much of the week's Laker news. He took charge, negotiated for thousands of stranded passengers to return home with other airlines, met the failed hopefuls from Orion Bank to discuss their proposed rescue of Laker on Monday, met Tiny Rowland and Sir Freddie on Tuesday to discuss their plans for "The People's Airline" and spent 13 hours between Tuesday evening and Wednesday morning selling Arrowsmith Holidays and Laker Air Travel for a total of £4.5m.

Mackey's partner in managing the Laker receivership is Nigel Hamilton, the man who has been on the spot at Gatwick Airport. "Nigel and I know precisely how we think. I could predict his answer to any question I asked him," notes Mackey.

Mackey has spent the week going about the awesome business of the Laker receivership in a calm and collected manner. He has won many admirers along the way. In his view, however, this is business as usual: "We never try to be flash. We try to be nice and simple."

BR may pay 3% and end strikes

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL is considering agreeing to the Associated Society of Locomotive Engineers and Firemen's terms for ending the rail strikes provided the independent inquiry into the dispute accompanies a recommendation to that effect with tightly-worded proposals on productivity.

Such a move might be seen publicly as a major concession by BR after six weeks of Aslef strikes. But it could be followed by the industry's arbitration tribunal insisting on Aslef's agreeing to the productivity changes BR has been seeking.

This shift in BR thinking stems from careful second-guessing of the outcome of the inquiry, chaired by Lord McCarthy, due to produce its findings early next week.

The strong possibility is that the inquiry will recommend that BR pay the 3 per cent wage increase it has withheld from Aslef members and that the issue of flexible rostering be put back into the industry's negotiating machinery. This would meet the terms of Aslef's case.

The BR board may be divided on such a finding, with more hardline members urging maintenance of a firm stand against Aslef. It is thought the board would agree to accept Aslef terms if the agreement was accompanied by a strictly-worded formula for putting the issue quickly back into negotiating procedure.

The board meets on Tuesday in expectation of having Lord McCarthy's report by then.

BR will want a form of words ensuring that arbitration—the Railway Staff's National Tribunal, comprising the members of the McCarthy inquiry—will examine the original six points of improved productivity BR has sought.

In particular BR will want some recommendation from the McCarthy inquiry challenging the sanctity of the eight-hour working day, which has been the central feature of Aslef's case against flexible rostering.

BR hopes the tribunal decision will reinforce this, and that Aslef will accept it. The board believes rejection by Aslef after the issue has been through the railways' negotiating machinery would leave the union isolated, without support of such groups as the TUC and the Labour Party.

BR recognises there is a risk in all this, as paying the 3 per cent would remove the board's only sanction against Aslef. Payment would take some time, and the hope is that the issue can be pushed quickly through the negotiating procedures and the tribunal produce its report inside a week, so the sanctions can be maintained.

There is a possibility of Aslef's refusing proposals on the eight-hour day worded as tightly as BR wants, though this again would leave the union wrong-footed.

Sir Peter Parker, BR chairman, said on BBC radio yesterday he would not agree to an "open-ended" payment of the 3 per cent, if that was what the inquiry recommended.

He wanted a fixed commitment. "I do not want to be told to pay the 3 per cent for nothing. It is absolutely vital that we are not told to pay the 3 per cent and to go into more talks and more talks."

BR has shifted from its previous position of insisting that the two understandings on pay and productivity reached in August with the Advisory Conciliation and Arbitration Service were linked.

The National Union of Railwaymen predicted that 90 per cent of its 180,000 members would have agreed to specific flexible rosters by the end of the month.

All three railway unions meet the National Union of Mineworkers on Monday to discuss *maintaining the flow of coal.*

Sally Oppenheim resigns post

BY ELINOR GOODMAN

MRS SALLY OPPENHEIM yesterday resigned unexpectedly as Minister of State for Consumer Affairs, for personal reasons connected with the death of her husband two years ago.

The Prime Minister will decide in the next few days whether to replace her. But Labour MPs and consumer groups fear Mrs Thatcher will take the opportunity to get rid of the job.

Their suspicions were aroused by the announcement that Mrs Oppenheim's responsibilities would be shared temporarily between two other Trade Ministers. Mrs Thatcher decided against having a fully-fledged Cabinet Minister for consumer affairs after the election.

Mrs Oppenheim told Mrs Thatcher before Christmas she wanted to resign but was persuaded against deciding immediately.

Mrs Oppenheim, MP for Gloucester, was married to Mr Henry Oppenheim, a former chairman of City Hall Properties, who died two years ago leaving £507,760 gross, and several family trusts.

She returned to Westminster soon after his death, but apparently found it difficult to cope with both her ministerial duties and her increased family responsibilities since his death. In particular, she has had to get more involved with the running of the family trusts.

There was surprise in Westminster at the announcement, but Mrs Oppenheim's explanation generally was accepted at face value. In a letter to the Prime Minister she said she had taken her decision with the "greatest reluctance and sadness."

Mrs Oppenheim, whose three children are grown up, was appointed Shadow Consumer Affairs Minister in 1974, and was made the Consumer Minister after the 1979 election. In January 1981, she was given responsibility for tourism, films and distribution in addition to her responsibility for competition policy and consumer affairs.

Mr John Biffen, the Trade Secretary, said for "the time being" Mr Reginald Eyre, the Parliamentary Under secretary of State at the Department of Trade, would take over Mrs Oppenheim's responsibilities for consumer and competition policy, while Mr Iain Sproat, another Under secretary, would take over other aspects of Mrs Oppenheim's portfolio.

Profile, Page 3

HK Land buys site for £436m

By Our Hong Kong Correspondent

ONE OF the world's biggest property deals was sealed yesterday when Hongkong Land outbid two other property groups to win a select site in the colony's central business district, near the Connaught Centre, at HK$4.78bn (£436m). Mr Trevor Bedford, Hongkong Land's managing director, described the site as "the largest and most valuable remaining site in the central business district of Hong Kong."

Hongkong Land has not yet produced a plan for the 3.3-acre (13,500 sq m) site, after an unusually rapid disclosure of the winning bid. The Government in the past has taken two to four weeks to decide between tendered bids for land sales. On this occasion, it announced the result five hours after tenders closed.

At least two Chinese developers are believed to have tendered bids. Local property men say the sale reflects the confidence in Hong Kong's future felt by large British-managed companies. The bids by the Chinese developers are believed to have been significantly lower than Hongkong Land's.

Hongkong Land will take possession of a 2-acre area of the site first and move into the remaining 1.3 acres in 30 months.

A condition of the deal is that the complex should accommodate a bus and minibus terminus at ground level, covered by a two-storey podium. This will contain premises for Hong Kong's unified stock exchange.

France plans more aid for farms

BY DAVID WHITE IN PARIS

FRANCE is risking more criticism in Brussels by proposing new measures to aid its farmers in an attempt to calm the violent mood in the countryside.

Announcing schemes, including tax relief on farm investments, Mme Edith Cresson, the Agriculture Minister, yesterday called for "serenity and unity" among the farm community.

The measures, unveiled ahead of an Agriculture Ministers' meeting in Brussels at the beginning of next week, seem bound to meet UK Government disapproval as they are in addition to a controversial FFr 5.6bn (£510m) aid programme, including cash handouts, announced in December.

Mr Peter Walker, the Agriculture Minister, has taken a strong line against French national support measures, saying the extent of the aid distorts competition.

However, Mme Cresson, whose statement was noted for its moderate tone, indicated that she felt on close terms with the European Commission. Social aid measures were authorised, she said, and investment aid was already given by other EEC countries.

The investment measure, which requires legislation, is designed to allow farmers to deduct 10 per cent of investment costs from their taxable income on the same basis as facilities available to industrial and commercial companies.

In addition, national and regional committees to monitor rises in production costs—the main source of discontent—are to be set up. According to official figures, the price of industrial products used by French farmers rose 15.2 per cent and 12.5 per cent respectively in the last two crop years, while farm prices at producer level rose 5.6 per cent and 10.3 per cent.

Mme Cresson confirmed she would press for the increase in EEC prices to be fixed as close as possible to France's 14 per cent inflation rate. This compares with the Commission's original 9 per cent proposal, which the UK rejects as too high.

Other measures include softer loans for farm equipment co-operatives, a cut in the Value Added Tax rate on the work they undertake, and an accelerated programme of start-up aid for young farmers.

Weather

UK TODAY

CLOUDY. Rain and gales in the north and west, sunny periods elsewhere.

London, S.E. England, E. Anglia
Cloudy with some rain, brighter later. Max 8C (46F).

Rest of England, Wales, S. Scotland and Aberdeen
Sunny periods and showers, some strong winds. Max 8C (46F).

Elsewhere
Cloudy with showers, some heavy. Gales, moderating later. Max 7C (45F).

Outlook: Dry in the east, showers elsewhere. Mild.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	13	55	London	C	9	48
Algiers	S	17	63	L. Ang.†		—	—
Amsdm.	F	6	43	Luxmbg	C	6	43
Athens	C	8	46	Luxor	F	19	66
Bahrain	S	18	64	Madrid	S	10	50
Barclna.	C	13	55	Majorca	C	11	52
Beirut	S	10	50	Malaga	F	15	59
Belfast	R	8	46	Malta	S	15	59
Belgrd.	S	3	37	M'chstr	C	8	46
Berlin	C	7	45	Mx. C.†		—	—
Biarritz	S	15	59	Miami†		—	—
Brghm	C	8	46	Milan	Fg	1	34
Blackpl.	C	8	46	Mntrl.†	F	−14	7
Bordx.	C	8	46	Moscow	C	−5	23
Boulgn.	C	9	48	Munich	S	8	46
Bristol	R	9	48	Nairobi	S	29	84
Brussels	F	11	52	Naples	S	11	52
Budpst.	F	0	32	Nwcstl.	C	7	45
Cardiff	C	8	46	N. York†		—	—
Cas'b'ca	F	17	63	Nice	S	13	55
Chicg.†		—	—	Nicosia	S	16	61
Cologne	C	10	50	Oporto	F	14	57
Cpnhgn.	S	5	41	Oslo	S	2	36
Corfu	S	15	59	Paris	F	10	50
Denver†		—	—	Perth	S	28	82
Dublin	R	9	48	Prague	C	0	32
Dbrvnk.	S	11	52	Rykjvk.	S	−5	23
Ednbgh.	F	9	48	Rhodes	R	10	50
Faro	S	17	63	Rio J'o†		—	—
Florence	S	9	48	Rome	S	14	57
Frankft.	F	8	46	Salzbrg.	S	10	50
Funchal	F	17	63	S'cisco†		—	—
Geneva	S	8	46	S'tiago†		—	—
Gibrltr.	C	16	61	Stckhm.	C	2	36
Gl'sg'w	R	7	45	Strasbg.	S	11	52
G'msey	C	9	48	Tangier	S	18	64
Helsinki	C	−1	30	Tel Aviv	C	15	59
H. Kong	R	13	55	Tenerife	S	24	75
Innsbrk	S	6	43	Tokyo	C	9	48
Invnss	C	7	45	T'r'nto†	F	−15	5
I.o.Man	R	8	46	Tunis	F	18	64
Istanbul	C	4	39	Val'ncia	C	14	57
Jersey	C	8	46	Venice	Fg	3	37
L. Plms.	F	20	68	Vienna	C	−1	30
Lisbon	S	12	54	Warsaw	S	4	39
Locarno	S	7	45	Zurich	S	7	45

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
†Noon GMT temperatures.

Salem underwriters win appeal

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

UNDERWRITERS who insured the cargo of the supertanker Salem, scuttled off the West African coast as part of a gigantic fraud, are liable for only about $5m of the $25.5m (£14m) claim made against them by Shell, the cargo owners, the Court of Appeal ruled yesterday.

The court unanimously overturned a Commercial Court finding that the cargo was lost through a "*taking at sea*," a peril against which Shell International Petroleum Company was insured.

The insurers were liable only in respect of the 15,000 tons of crude oil still on the Salem when he was scuttled off Dakar, Senegal, in January, 1980, said the Appeal judges.

They were not liable for the 180,000 tons secretly off-loaded in Durban earlier.

Shell had claimed a total of $56m for the loss. It recovered $30.5m from SFF Association, South Africa's official oil purchasing agency, and looked to the underwriters for the balance.

The cargo had been insured by 69 Lloyd's syndicates, which carried 56 per cent of the cover, and 29 insurance companies.

After the Commercial Court ruling last April, the insurers paid out about $31m on the claim, including interest.

The Appeal Court ordered Shell to pay half the costs of the Commercial Court hearing, unofficially put at about £300,000, and all the £40,000 estimated costs of the appeal.

Both sides were given leave to appeal to the House of Lords.

Lord Denning said that the "wicked minds" behind the gigantic fraud had been "a group of cosmopolitan crooks" who had never been caught.

He said the cargo had been insured under the standard Lloyd's "ship and goods" policy, which included cover against "takings at sea."

The Commercial Court had decided that a "taking at sea" had occurred when the Salem changed course for Durban.

But Lord Denning said that there had been no change of possession of the oil then, and therefore no taking "at sea."

There had been a taking in port, as soon as the vessel was loaded in Kuwait.

There had also been a taking when oil was pumped ashore at Durban.

Neither had been a taking "at sea."

The truth was that the cargo had been lost in two batches — at Durban and off Dakar. The first was not covered by the policy, but the second was.

Lord Justice Kerr and Lord Justice May agreed that Shell was entitled to recover only in respect of the 15,000 tons. But they both disagreed with Lord Denning's view that there had been a "taking" in Kuwait. There had not then, said Lord Justice Kerr, been any "irretrievable deprivation or loss."

Continued from Page 1

Laker jobs

redundancy list grew longer, it was seen that much staff euphoria over Sir Freddie was disappearing rapidly.

Staff said they had been let down by the management. Much of the laughter and fighting spirit of the past week had vanished as people queued at a hastily-arranged Labour Exchange in a hangar.

Standing by were 25 staff from the Department of Employment. 12 officials from Crawley Job Centre, and four officers of the Department of Health and Social Security to advise on supplementary *benefits*.

One worker said there was amazement at the lack of interest shown by Laker.

Continued from Page 1

BA routes

scheduled passengers" to protect customers in future.

Mr Rowland repeated his offer personally to reimburse every customer who had bought a Laker Airways ticket before February 5. He would pay up to £700,000 whether his new planned airline was formed or not.

● Mr David Spence, a partner at accountants Thornton Baker, said yesterday that he had been retained by 11 companies which were collectively owed £300,000 by Laker Airways as unsecured creditors.

Mr Spence said he would object to the granting of CAA licences for "The People's Airline" unless his clients' debts were settled first.

Continued from Page 1

Inflation

average for EEC countries, which was 11.6 per cent in December.

The average for all Organisation for Economic Co-operation and Development (OECD) countries was 9.9 per cent. The lowest rate among the major industrial countries was 4.3 per cent in Japan, and the highest was 18 per cent in Italy.

Cautious optimism in Whitehall about the outlook for prices contrasts, however, with continued nervousness about the trend of industrial production which *fell* in November after a period of hesitant recovery. The December figures, due to be released on Monday, are not expected to be encouraging, partly because of the bad weather.

THE LEX COLUMN

Looking for value on Wall Street

Sterling was looking a little shaky against the dollar yesterday, but on its trade-weighted index it closed the day—and the week—unchanged at *91.6*. The most encouraging news for the London markets came in the shape of a rise of only *0.6* per cent in retail prices in January, keeping the year-on-year increase unchanged at 12 per cent.

Those analysts who were expecting a figure as low as this were basing their forecasts on the effect of lower petrol prices, but this factor does not seem to have influenced the January figures much (though it will help in February). Without seasonal food, the rise would have been only 0.4 per cent.

In the February-April period last year retail prices rose by 5.4 per cent—an annual rate of 23.3 per cent. The scope now for a fall in the year-on-year rate, provided the Chancellor is tactful in his treatment of indirect taxes next month, is considerable.

U.S. v UK

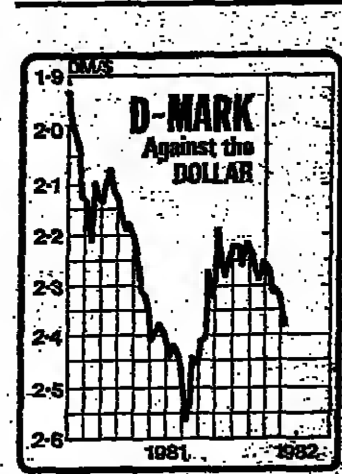
The grass often looks greener on the other side of the Atlantic and many British private investors or fund managers have dabbled optimistically in the New York market in the past couple of years. But the fact is that American equities have tended to prove a sad disappointment. In 1981, for instance, the Standard and Poors 500 Index dropped a tenth whereas the broadly comparable FT-Actuaries All-Share Index rose 7 per cent (though the currency swing was in favour of the British investor).

Does this mean that U.S. equities have become fundamentally cheap compared to their British equivalents? Brokers Phillips and Drew have carefully studied all the fundamentals, and have basically come up with the answer yes. They have only committed themselves to such a decision after making great efforts to adjust the U.S. statistics on to a basis comparable with the UK company data.

The most *straightforward* comparison is on the basis of dividend yields. Here both equity markets come out very much in line, with yield of rather less than 6 per cent. And dividends have grown faster in the UK—by 13 per cent annually on average in the past five years against 10 per cent in the U.S.

But after adjusting for relative inflation rates, real dividends have actually fared better

Index fell 1.5 to 570.5



in the U.S. As for earnings multiples, P and D reckon that the prospective 1982 *p/e ratio* for the S and P 500 is 7½, whereas on a comparable fully taxed basis the p/e for 1982 on the All-Share is 9.

The difference may not look startling, but P and D believe that the quality of the U.S. earnings is far higher, partly because they are mostly calculated on *the basis* of the *conservative* LIFO stock accounting system. Looking at estimates for current cost earnings, the brokers reckon that the 1982 U.S. p/e ratio rises only to 9½, whereas for UK equities it *jumps on average to more like* 20. In both markets shares stand at a substantial discount to current cost asset values—but the discount is rather larger in the U.S.

So P and D suggest that U.S. equities are more attractive over the longer term. Of course, a lot of fingers can be burned while *investors wait for the* long-term fundamentals to establish themselves. So far in 1981 the two markets have continued to drift in the "wrong" direction — the All-Share is up about 5 per cent, and S and P 500 *is down by a little* more than that.

B and B

Bed and breakfasting is as old as the hills—or at least as the 1965 Capital Gains Tax legislation. By selling shares one afternoon and buying them back the next morning—at a fraction of normal dealing costs —the small investor can make sure of realising *towards* the end of each financial year the £3,000 gain allowed before tax becomes payable. And net funds can establish tax losses. But some discreet jitters are circulating in the stockbroking community, which is thoroughly *grateful for the volume in early* spring, about whether the practice will be allowed to continue.

The Inland Revenue *has now* scored a series of legal victories on the back of last March's ruling by the Law Lords gainst "artificiality" in tax affairs. In September it felt confident enough to withdraw summarily the tax concessions on guaranteed income bonds; could it move in a similar way against bed and breakfast deals?

Brokers Fielding Newson-Smith believe the possibility to be strong enough to recommend that clients complete their deals before Budget day on March 9, when the Chancellor *might just make some* "clarification" of the rules. But, given the political sensitivity of the issue, the Revenue is unlikely to move without legislative backing. And even though it has got the bit between *its teeth on tax avoid*ance, it will probably want to clamp down on other areas first.

BHP

The share price of Broken Hill Proprietary has shared in the general malaise of the Sydney stock market and yesterday's interim statement left it languishing at a two-year low of A$8.64. Reported net profits have fallen 36.4 per cent to A$87.5m during the six months to November.

The extent of the downturn is greatly influenced by BHP's current cost depreciation policy. In historic cost terms, net profits have slipped by less than 8 per cent. Compared with the precipitous collapse in earnings being reported elsewhere in the Australian resources sector, *this* is no mean performance. The steel division is still making a negligible pre-interest return on capital employed of $3bn and costs are rising so fast that it is doubtful whether margins will improve significantly even when export demand recovers.

But earnings from the oil and *gas division are still moving* ahead and will benefit next year from the sale of Fortescue production at world prices. For the time being, though, BHP is having to contend with cash flow which nowhere near funds a capital spending programme running at an annualised rate of almost $900m. The threat of another rights issue may be enough to hold the shares close to their current yield of 4.7 per cent.

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